

CSR reports and communication channels from the stakeholder point of view. Do the reports have an effect on consumers?

International Business Communication
Master's thesis
Rodrigo Cervantes
2010

Aalto University

School of Economics



CSR reports and communication channels from the stakeholder point of view

Do the reports have an effect on consumers?

International Business Communication
Master's Thesis
Rodrigo José Cervantes Méndez
Spring 2010

Table of Contents

1 Introduction	5
2 Corporate Social Responsibility	7
2.1 What is CSR?.....	7
2.2 Challenges that CSR and CSR reports face	11
2.3 Sustainability reports	12
2.4 CSR and its importance to a company	13
2.5 CSR communication challenges	15
2.6 Trends and CSR.....	19
3. Stakeholder	22
3.1 Types of Stakeholders.....	22
3.2 Communication, organizations and stakeholders.....	24
4. CSR and Expectations	26
4.1 The importance of CSR reporting.....	26
4.2 Readers and Reporting.....	28
4.3 Relationship between business ethics and consumers	30
4.4 CSR and the focus of corporate marketing	32
5. Consumers	33
5.1 Factors affecting consumer behavior	33
5.2 Consumer Decision Making Process	35
5.3 Herman 's Stockholders in Cyberspace	41
6. Data and methodology.....	42
6.1 Research setting	42
6.2 Research questions.....	44
6.3 Methodology.....	48
6.4 Survey	49
6.5 Data collection and limitations	51
7. Findings	53
7.1 NOKIA Flagship store	53
7.2 General Market	61
8. Conclusion	68

8.1 Three main questions	68
9. References	72
10. Appendix	75
10.1 Glossary	75
10.2 Survey Questions	77
10.3 View of Digital Survey	83

List of Figures

Figure 1: Definitions of corporate responsibility (Blowfield & Murray 2008)	10
FIGURE 2. Expectations regarding CSR. (Dawkins J., 2004; Source: MORI, 2000).....	16
FIGURE 3 Quality of company information. Dawkins J. (2004) (Source: MORI, 2000)	17
FIGURE 4: CSR wave of trends.	22
Figure 5: Consumer Decision Process.....	35
Figure 6: Areas of interest in the CDP.....	37
Figure 7: Areas where CSR can have an effect in the CDP	39
Figure 8: Results from the survey at the NOKIA store; Consumer environmental care.	54
Figure 9: Results from the survey at the NOKIA store; Communication media used the most.....	55
Figure 10: Results from the survey at the NOKIA store; Use of the Internet.	55
Figure 11: Results from the survey at the NOKIA store; Efficiency of communication channels to communicate CSR.	56
Figure 12: Results from the survey at the NOKIA store; Information that consumers remember the most.	57
Figure 13: Results from the survey at the NOKIA store; Type of information consumers look for.	58
Figure 14: Results from the survey at the NOKIA store; Importance of company commitment to CSR. ..	59
Figure 15: Results from the survey at the NOKIA store; Best way to communicate CSR information to consumers.	60
Figure 16: Results from the survey at the NOKIA store; Willingness to change brand.....	60

Figure 17: Results from the survey sent by mail; Consumer Environmental Care. 61

Figure 18: Results from the survey sent by mail; Communication media used the most. 63

Figure 20: Results from the survey sent by mail; Possible CSR communication Channels..... 64

Figure 21: Results from the survey sent by e-mail; Information consumers remember the most..... 65

Figure 22: Results from the survey sent by mail; Information consumers look for..... 66

Figure 23: Results from the survey sent by mail; Importance of company commitment to CSR. 67

Figure 24: Results from the survey sent by mail; Best way to communicate CSR information to
consumers. 68

Abstract

The objective of the current research project was to find out whether consumers actually know what social and environmental activities companies are involved in and whether they make consumption decisions based on the information given by the company in their CSR and sustainability reports.

In order to achieve the previously stated objective, three main research questions were drafted. Question one is how can CSR be communicated in a way in which consumers can understand and use its information to buy a product? Question two, how do customers use the Internet to filter, make sense of and share the information they get about any given company regarding CSR? And question three: do CSR and sustainability reports have a direct effect on the decision of a consumer to buy or not to buy a product?

Out of these questions a research tool was built, which took the shape of an exploratory survey. The survey was applied to two main groups. The first group, which was composed of by the general public in Finland, received the survey by e-mail. The purpose of the survey was to collect an opinion from the general market in Finland. The second group of surveys was performed at the point of sale in the Nokia Flagship store in Helsinki; this group of surveys was intended to gather information regarding Nokia consumers specifically.

The following conclusion was made as the result of the current research project: consumers in Finland care about the environment, but they are not pro-active in their search for information regarding environmental, sustainable and ecological issues, activities and processes taken by companies. The Internet is not the most efficient communication channel to let consumers know what companies are doing regarding CSR activities and sustainable practices. However, even though CSR reports do not have a direct effect on the decision of consumers whether to buy or not to buy a product; according to the results obtained in this study, people are willing to change to and buy products that have recycled materials and have been produced in a sustainable and environmentally friendly way.

1 Introduction

In today's world the concepts of CSR (Corporate Social Responsibility) and going green are gaining increasing popularity both in the field of research and among the general public. Books such as "Corporate Social Responsibility: Doing the Most Good for Your Company and Your Cause", by Philip Kotler and Nancy Lee (2005) and environmental books like "The Green Book: The Everyday Guide to Saving the Planet One Simple Step at a Time", by Elizabeth Rogers and Thomas S. Kostigen that was first published in 1965 and republished in 2007 are part of a global megatrend which encourages producers and consumers to take care of and save the world's natural resources and the environment. All media channels are involved, including the printed media, radio and TV. Examples of these efforts are presented by networks like CNN and BBC which broadcast shows such as "Green light for business" and "Green Balloon".

However, the idea of going green and social responsibility is not that new. In the academia some of the earliest approaches were made by authors like Kolter and Levy (1969), Lazer (1969), Feldman (1971) and Sweeney (1972) who referred to CSR as marketing societal dimensions. The idea revolved around the realization that natural resources are not renewable, and the relationship between marketing and the environmental and social impact should be considered a process that allowed interaction between organizations and all members of society.

In the mass media one of the earliest examples on the subject is the book "The Green Consumer Guide: From Shampoo to Champagne High-street shopping for a better environment" by John Elkington and Julia Hailes, which was published in London in 1989. During the 80s, but mainly in the 90s the stakeholders' point of view was introduced to the organizational environment through different areas such as marketing and communication by Fill (1995) and corporate image, identity and reputation management by e.g. Bernstein (1984), Fombrun (1996) and Balmer (1998). Other fields include branding with Duncan and Moriarty (1997) and public relations with Grunig and Repper (1992).

The bottom line is that consumers and producers of products have their economy to think about as well as the environment. In most cases the economic factor comes before the environmental factor; so going green is a business that must be beneficial for all three parties, the environment, the consumer and the producer. Marketing as well as organizational communication are tools that help organizations promote their brand, services and products. According to Podnar and Golob (2007), one of the main reasons to take corporate marketing for any company is to create an added value that will go beyond profit maximization. In accordance with these stated reasons, Balmer (2001) stresses the importance of marketing from a CSR perspective and its societal application. A company apart from operating and focusing in their own well-being has to pay attention to many different social issues. In relation to its customers this means that it should expand its interest to other issues apart from product safety, ethical operations, sales, welfare and consider issues that do not have a direct impact on the customer but are equally important to him (Maignan, 2005).

Particularly interesting from the perspective of the current study is an article by Creyer and Ross (1997) about the influence of firms in consumers and their purchase intentions. In this article Creyer and Ross explore the issue of unethical corporate behavior from the perspective of consumers, by addressing several issues such as consumers' expectations regarding the ethicality of corporate behavior and whether ethical or unethical acts by a firm are an important consumer concern. If so, will information regarding a firm's behavior influence their purchase decision? In the end, the researchers reach the conclusion that customers do care about a firm's ethics and will adjust their purchase behaviors accordingly.

The objective of the current study is not to find out whether consumers care or not about a company's ethics but to find out whether consumers actually know what social and environmental activities companies are involved in and whether they actually perform consumption decisions based on the information given by the company in their CSR and sustainability reports.

As already pointed out, extensive research has been done in the field of CSR, nevertheless there are certain areas related to the media being used to communicate this information to target

groups that have not been fully researched. A secondary objective of the current study is to find out if the current mass media channel (the Internet) that is being used by companies to deliver their CSR and sustainability information is the right channel, or if there is a better way to transmit the messages to the target audience by using conventional channels of marketing.

In order to tackle these queries, the following research questions were identified; question one is how can CSR be communicated in a way in which consumers can understand and use its information to buy a product? Question two, how do customers use the Internet to filter, make sense of and share the information they get about any given company regarding CSR? And question three; do CSR and sustainability reports have a direct effect on the decision of a consumer to buy or not to buy a product? Since the focus point of the current research is to understand and know the consumer, the methodology selected to collect the data was through a survey that would be sent by e-mail to the general public in Finland; and a second group of surveys that would be done in the point of sale at the Nokia Flagship store in Helsinki that would gather information regarding Nokia consumers specifically. Through the comparison of the surveys done in the store and the survey sent out by e-mail, assumptions about consumer behavior in Finland were made and the three main research questions answered. Finally, a set of recommendations were given.

2 Corporate Social Responsibility

2.1 What is CSR?

In recent years the production of CSR reports has been linked to the production of the general annual report due to external claims for transparency and accountability from consumers, social and nongovernmental organizations as well as other various kinds of interest groups (Nielsen & Thomsen, 2007). As an answer to this demand of information companies around the world have made CSR a priority in their organizational agenda, therefore augmenting the number of CSR reports being done.

Nonetheless there seems to be one problem which is that the concept of CSR is really broad and problematic in terms of drawing up a definite list of issues which constitute CSR (Evuleocha, 2005). Also, there is no established framework or guidelines for how to communicate CSR consistently (Nielsen & Thomsen, 2007). It can be argued that the lack of organization and common terminology to define CSR and the areas covered by it have made it difficult for companies to develop proper strategies to communicate CSR in different media and adapt it to different target groups. An example of this problem are company websites; different organizations communicate their various social policies, environmental activities and sustainability commitments through their websites using as many diverse and inconsistent concepts for similar issues as companies that are reporting (Nielsen & Thomsen, 2007). The result is that the concept of CSR does not have a well defined and universal definition.

Contrary to the many diverse definitions, great efforts have been made in establishing the standards and codes of practice in CSR. Examples of these are the Agenda 21 which is a plan of action for governments, companies and civil societies to address human impact, CERES which is a ten-point code of corporate environmental conduct for an environmental mission statement, the Global Reporting Initiative, which is the framework for reporting on social, environmental and economic performance, and finally Social Accountability 8000, which concentrates on establishing workplace standards to assure worker rights and welfare.

As a result of the previously stated problem with the definition of what CSR is and what it should be enclosed by it, it was necessary for the current study to produce a definition that would outline what is understood as CSR for the study that will be made. Therefore a collection from different electronic sources like thrall.org, carbonfootprint.com, globalreporting.org, corp.gov.net, businessdictionary.com and iccwbo.org were reviewed, as well as definitions from different company websites like Marimekko, Nokia, YIT and Stora Enso were used among others. The following are some examples of what was found:

Marimekko defines their Social Responsibility as being a sustainable business that generates value for future generations. Their main goal set for social responsibility is based on shared

values which are incorporated into all of the company's activities. Compliance with laws determines the minimum level of social responsibility; the company continuously strives towards a higher level by improving its responsible practices. The commitment to responsibility is supported by the company's social responsibility training and development program, internal guidelines and the obligations included in cooperation agreements. The company encourages its employees to adopt responsible working practices.

Stora Enso defines their Principles for Social Responsibility as follows: Stora Enso's Principles for Social Responsibility address concrete questions related to business practices, communication, community involvement, responsible workforce reductions and human and labor rights.

YIT defines Corporate Responsibility as: Corporate responsibility is the sum of three responsibility areas that support each other: financial, social and environmental responsibility. A company that operates responsibly fosters the well-being of its customers, employees, shareholders and other interest groups, and shoulders its responsibility for the environment. YIT's operations are based on the company's mission, operational concept, strategy and values. In addition, the changing needs of society and our interest groups are taken into consideration in our operations. We comply with international, national and local laws and agreements.

NOKIA through a set of basic values defines its approach to CSR as follows:

- Profitable business is fundamental for good citizenship.
- Responsible business drives performance.
- Companies are not governments or law makers.
- Community involvement goes beyond core business activities.
- Business can maximize contribution with a systematic approach.

The following box is an example of some of the definitions that were found in CSR text books.

A responsible company is one that listens to its stakeholders and responds with honesty to their concerns.

Starbucks, CSR Report, 2004

CSR commits us to operate in a socially responsible way everywhere we do business, fairly

balancing the needs and concerns of our various stakeholders – all those who impact, are impacted by, or have a legitimate interest in the company's actions and preferences.

Chiquita, www.chiquita.com, accessed 24 March 2004

CSR is the proposition that companies are responsible not only for maximizing profits, but also for recognizing the needs of such stakeholders as employees, customers, demographic groups and even the regions they serve.

PricewaterhouseCoopers, www.pwcglobal.com, accessed 24 March 2004

CSR is the continuing commitment by business to behave ethically and contribute to economical development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

Lord Holme, former executive director Rio Tinto, and Philip Watts

Former chair of Royal Dutch Shell

CSR is requires companies to acknowledge that they should be publicly accountable not only for their financial performance but also for their social and environmental record... CSR encompasses the extent to which companies should promote human rights, democracy, community improvement and sustainable development objectives through the world.

Confederation of British Industry, 2001

CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis.

European Commission, Directorate General for Employment and Social Affairs

CSR is the commitment of business to contribute to suitable economic development, working with employees, their families, the local community and society at large to improve their quality of life, in ways that are both good for business and good for international development.

World Bank, www.worldbank.org/privatesector, accessed 24 March 2004

Figure 1: Definitions of corporate responsibility (Blowfield & Murray 2008)

Another interesting approach towards defining CSR worth mentioning is the one from the Research for CSR Europe conducted by MORI (2000), which says that companies have two kinds of responsibilities, commercial responsibilities that is, running their business successfully and social responsibilities which are their role in society and the community. This means activities beyond profit making that some companies are now involved in, protecting the environment, looking after employees, being ethical in their trading and being involved in the local community around which they operate.

The previous examples of CSR definitions from the Internet, surveys MORI (2000) and books like Blowfield and Murray (2008) book on Corporate responsibility as well as Cornelissen J. (2004) book on corporate communications, theory and practice were used, also several articles like Reporting CSR – What and how to say it by Nielsen & Thomsen (2007), and Corporate

responsibility: the communication challenge by Jenny Dawkins (2004). It is important to mention that no matter how many definitions of CSR were found there is one thing that all of them share in common and it is the belief that companies have a responsibility for the public good. What makes the definitions as diverse and different as the companies themselves is the emphasis that they make in different elements that concern their individual interests and need.

As a result of the previous search all of the different electronic and literary sources were put together into one definition; and this is the result:

A CSR report is an annual, twice a year or quarterly practice in which organizations publicly report about their values and commitment to all their stakeholders that can be customers, employees, surrounding communities and its environment at a local level as well as global. CSR is reflected in the way a company does business. And it is materialized by the decision making process in which any given company decides to get involved in a variety of activities that range from Human Right protection to economic support for a variety of charities, environmental protection, and production practices and recycling activities. All of which is fueled with the objective of establishing long term relations with their stakeholders and their communities.

2.2 Challenges that CSR and CSR reports face

The emergence of non-financial reporting can be seen as an attempt to increase transparency regarding corporate actions that concern social and environmental issues (Nielsen & Thomsen, 2007). Nonetheless, the variety of definitions and different points of view and approach towards CSR can be attributed to the fact that organizations have to be able to deal with the expectations between their stakeholders and the company. In fact, it can be inferred that this is the first challenge that companies face when building and communicating CSR.

The bottom line is that CSR reporting cannot be regulated entirely and strictly structured into one universal definition that encloses what CSR is all about and what its actions are supposed to be because CSR and CSR reporting are voluntary actions, self-imposed by the companies to improve corporate image in the eyes of their stakeholders. Since CSR is a contextual concept

which is entirely related to the company and its environment (Nielsen & Thomsen, 2007), image and the consciousness of self-preservation, then CSR is also an ethical issue that involves trust. This means to the company an implicit conflict since the concept of social responsibility is about ethics and values and contains an implicit demand for a solution (Thyssen, 2004). So it can be stated that the main problem is structuring and adapting one's message to fit and fulfill information necessities from different stakeholders. In more detail, the form and content of the message that will be communicated will depend on contextual elements such as the size, the products being sold, the services being rendered, after sell services, markets in which the company operates and specific stakeholder groups that the company has to address too. All of the previous elements plus the commitment of the company and its managers to change will shape a company's CSR strategy, reporting and communication.

Even though the popularity of CSR within companies has increased in the last few years, many challenges are yet to be faced. Internally, one challenge that CSR faces is related to the way the message is structured and communicated when explaining and convincing employees, management and investors why CSR is necessary. Externally, the other challenge is justifying, explaining and convincing different stakeholders and interest groups why certain CSR issues are logical and necessary to be undertaken by the company. Intrinsic to the previously mentioned problems are financial factors as will be discussed and stressed later. The current CSR initiatives cost money and the company must be able to explain to its owners and investors in particular why these initiatives are necessary and in which way they will lead to business benefits (Nielsen & Thomsen, 2007). This means that CSR and all activities related to it are, in fact, strategies and tools to keep and increase organizational image, market share, and revenue. Therefore it is also part of the objective of this study to find out if CSR messages and activities are being properly communicated to consumers and recommend alternative or better ways to reach this target group.

2.3 Sustainability reports

Many organizations find that financial reporting alone no longer satisfies the needs of shareholders, customers, communities, and other stakeholders for information about overall organizational performance. The process of public disclosure of an organization's economic,

environmental, and social performance is also referred to as “sustainability reporting”. The term is synonymous with citizenship reporting, social reporting, triple-bottom line reporting and other terms that encompass the economic, environmental, and social aspects of an organization’s performance.

Due to the similarity of both terms, for this research CSR and Sustainability reports will be considered synonymous of one another.

2.4 CSR and its importance to a company

So far the topic of the vague definition of CSR and its background and origin have been addressed. Why, then, is CSR important to a company? According to Crane and Matten (2004), there seem to be two main reasons upon which the relevance of CSR lies on. First, there is the generally negative image concerning businesses and their actions in relation to society. And secondly, there seems to be some uncertainty relating to the questions about businesses in terms of their alleged responsibilities and obligations towards society.

According to Cornelissen (2004), the future of any one company in today’s society depends critically, on the one hand, on how it is viewed by its key stakeholders such as shareholders, investors, customers and consumers, employees and members of the society in which the company resides. On the other hand, the element that affects trust and damages organizational image is the stakeholders’ sensation of not being told the whole truth. Fairclough (1995) states that there exist two types of discourses related to two social orders, the public discourse on social responsibility and the business discourse on profit and maximization or strategy referred to as discourse orders in correspondence. Therefore the challenge faced by CSR is trust and that is why words have to be backed up by actions and made public and common knowledge.

Creyer and Ross (1999) explain that according to utilitarian-based approaches, behavior is judged by its effects on the overall welfare of everyone involved. CSR is the link that allows stakeholders, including consumers, to know about the company’s behavior. So, if unethical

behavior is seen as bad business and undesirable revenue, then CSR is a communication and marketing tool that helps a company to do good businesses and increase its revenue.

Consumers create beliefs and expectations of an organization using three essentially different ways (Van Raaij, 1991). First, beliefs are formed through previous experience with the organization. Second, beliefs can also be formed through outside information that can be provided by the mass media. Thirdly, beliefs become inferential, that means that they are formed when the individual goes beyond the internal and external information at hand. Therefore it can be assumed that organizational image is the belief a consumer has of a company.

But it is also interesting that the three steps that create organizational image in the mind of the consumer are fundamentally the same as the three-step rationale used by consumers to purchase products. First, the consumer gathers internal information from previous experiences and memories. Secondly, he/she collects external information concerning the product or service of his desires and their specifications, benefits and performance. Finally, the consumer processes the information mixing internal and external information with its own standards, needs and desires, and decides what to buy.

Some information aims to create a positive impression of a company while other sources of information can provide examples of corporate wrongdoing (Creyer & Ross, 1999). Just like in the process of forming beliefs regarding an organization or helping a consumer to choose one specific product, appropriate communication of CSR reports and promotion of the activities the company is involved with can help the organization to create a positive image of itself and of its products and services in the eyes of consumers.

So, as the interests of consumers are extended to wider areas of business operations, firms seek to demonstrate ethical dealings with suppliers, employees and their local environment (Creyer & Ross, 1997). CSR and sustainability reports, if properly communicated, are the tools for giving companies an added value in the eyes of consumers.

2.5 CSR communication challenges

As stated in Section 2.1, since companies have different needs and use different CSR definitions and messages depending on their industry and the stakeholders they want to address, there seems to be one universal problem which is having one message with information that needs to be adapted to meet the diverse requirements from different stakeholders and to different communication channels to better reach each group individually.

However, it can be argued that adapting the CSR message to target specific audiences and to market a company's CSR activities to sell more is morally wrong and might cause negative reactions. According to Dawkins (2004), some of the specific challenges caused by communicating corporate responsibility include skepticism towards company messages and potential hostile reactions from the media. On the other hand, companies already have problems for not doing enough and therefore the majority of the public thinks that most companies do not listen to them and do not respond to their concerns on social and environmental issues (Dawkins, 2004). Related to acting or not acting is the problem that companies should worry about most and it is credibility. If a company does not act or if it takes a very public and marketing sounding approach towards its social and environmental commitments, its credibility and ethical commitment will be questioned. So, not only should organizations find a middle point in which they let their stakeholders know what they are doing without overwhelming them, but in order to have credibility in the eyes of stakeholders companies should carefully choose the causes in which the company gets involved. These causes should be related to and suit the industry of the company and corporate behavior should be consistent with the activities and issues the company gets involved with.

Stakeholders, specifically consumers, have different expectations and information needs than other stakeholder groups. This means that companies should use different communication channels to address consumers than the ones that they are currently using. According to the research done by MORI in 2000, 70% of the general public agree that industry and commerce do not pay enough attention to their social responsibilities.

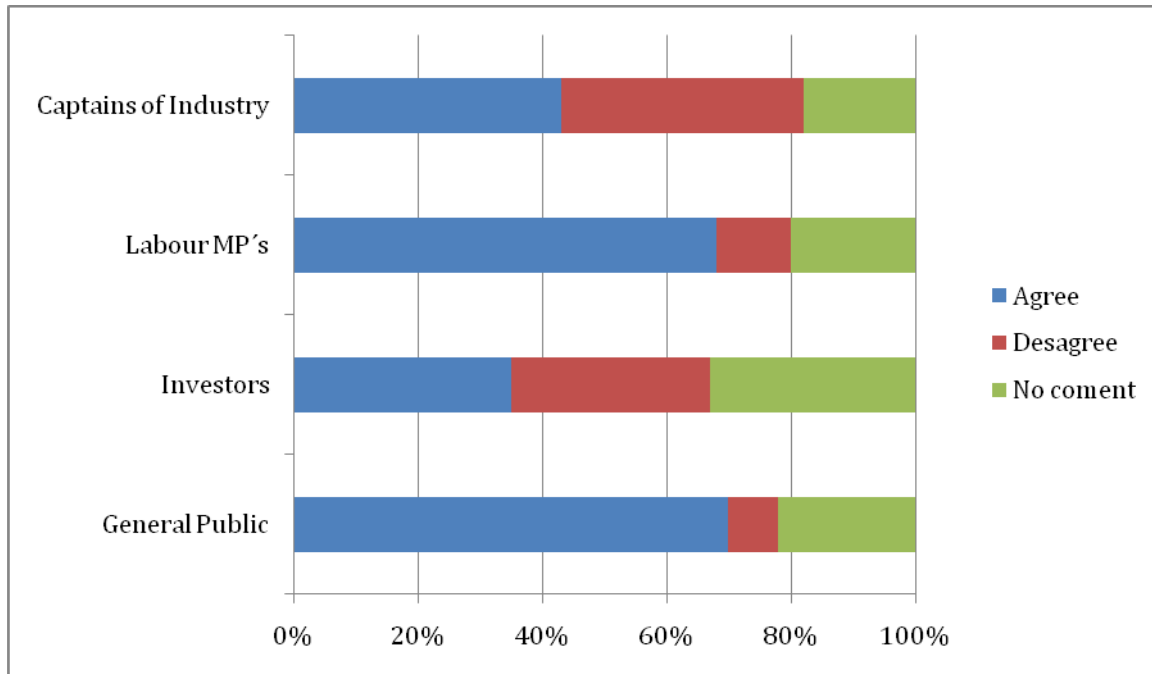


FIGURE 2. Expectations regarding CSR. (Dawkins J., 2004; Source: MORI, 2000)

It can be inferred from these findings that the communication efforts and channels being used by companies to transmit to their consumers in what CSR issues they are involved are not being effective. Consequently, if the Internet is the main channel being used by companies and consumers in general, do not proactively seek information on company behavior, even on issues they consider to be particularly important (Dawkins, 2004), then organizations should use more traditional media channels to reach consumers, available options to reach the public are marketing campaigns on TV, radio, printed channels or outdoor advertising and point of sale marketing to incorporate responsibility messages with main stream communications, marketing and advertisement.

Referring to the relationship between the CSR message and target audiences, which for the purpose of the current study are consumers, it can be understood from the literature that consumers as an audience have specific expectations in regarding particular companies and their corporate responsibility. That is why companies should pay special attention to understanding what the issues are and topics their consumers are most interested in, get involved with the ones that relate the most with their activities and industry, tailor the message and adapt it to the

preferred communication channel to satisfy the information necessities of their different target audiences

Target audiences vary depending on the company, but it can be generalized that these audiences are employees, business investors, owners, press, general media consumers, government, surrounding communities and NGO's. For the corporate practice of Social Responsibility, CSR reports are the main channels through which a company communicate their awareness and answers to the environmental and social issues that are important to their different groups of interest. Bu what is the opinion regarding CSR reports from the people who read them? And Why do the general public do not seem to be getting this information?

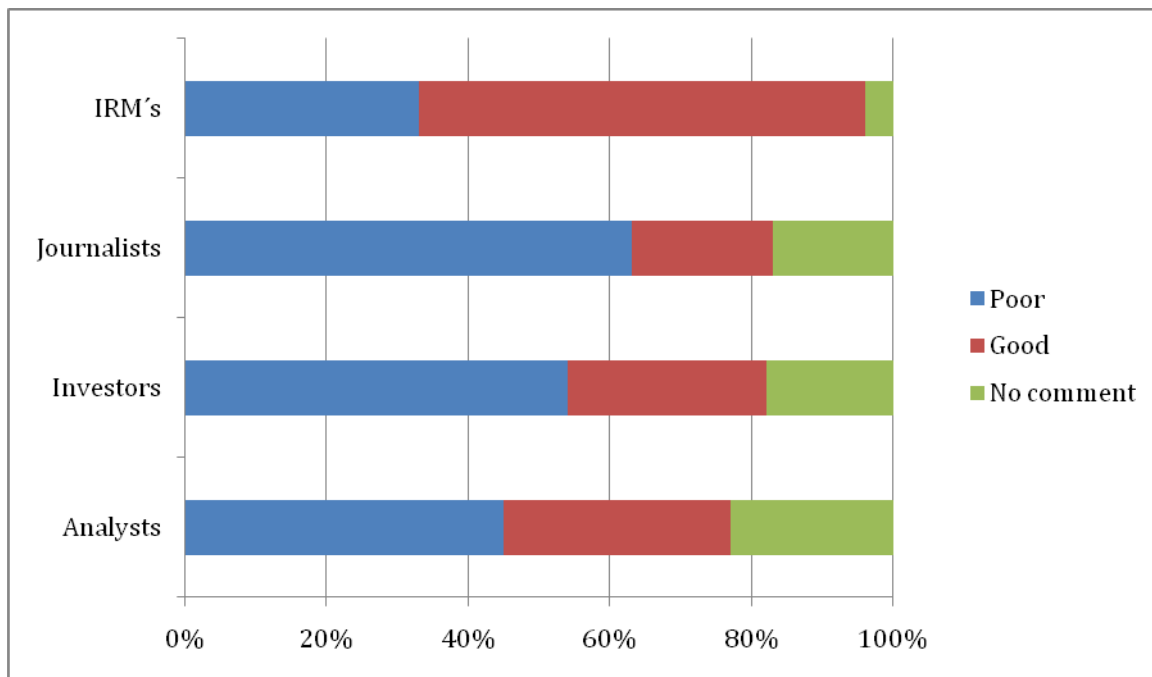


FIGURE 3 Quality of company information. Dawkins J. (2004) (Source: MORI, 2000)

According to MORI (2000) (as cited in Dawkins, 2004) , when investors look at CSR reports they all seem to agree on the fact that there is a lack of established indicators, on the other hand the general audience complains that there is too much financial jargon thus making it difficult for them to understand the information. The previous statement carries with it a tacit problem which is that the message, the structure and the communication channel currently being used is not

satisfying totally the needs of any stakeholder group. This is one more reason that supports the idea of adapting the CSR message to the needs and requirements of specific target groups and delivers the message through different communication channels. In general consumers are not experts in the fields of Finance or Market investment, so the information that the CSR reports contain has to be structured in a very user friendly simple and approachable way. The consumers are not dumb, but linking CSR issues to familiar concepts can be the answer to overcome the communication problem. According to Dawkins (2004), clear definition of the priority target audiences for a company's social reporting, and evaluation of their information needs in relation to specific corporate responsibility issues, is vital to ensure the social report effective communication.

In order to communicate the CSR report effectively, the communication channel through which the information will be transmitted to the target audience also needs to be chosen carefully depending on the specific stakeholder group that the company wants to target. Not all audiences respond in the same way to the same communication channel and not all audiences have the same practices of use of one communication channel. The perfect example is the Internet. Specialized audiences like investors, financial analysts and direct interest groups use the Internet as a work tool, to obtain specific information, communicate faster the general market, consumers use the Internet mainly as a social media and entertainment, sometimes as means to find general information about a certain topic, and on very particular occasions like when they are buying a house, a car or anything that requires what the consumer considers a big investment to collect specific information and experience from others in relation to that one product of their interest at that given point in time.

Companies use the Internet as their main channel of communicating their CSR message, some organizations are currently adapting their messages to meet the requirements of different audiences, but creative use of traditional and alternative communication channels is needed. Creative communication solutions are needed to communicate corporate responsibility messages in a way that will be striking, relevant and understandable (Dawkins, 2004). According to MORI (2000) and Dawkins (2004), there are two main issues why consumers do not get the information contained in the CSR reports. The first is that for specialists the general public is rarely a primary

target audience, and the second issue is that many audiences are not proactive in their search for information on corporate responsibility. These two elements make stand-alone social reports suitable only for small engaged specialized audiences, and give birth to the necessity of incorporating CSR messages in mainstream media with clear explanations of the issues the company is involved in and the relevance of these issues to concerned stakeholders.

According to results published in MORI European survey of consumers' attitude towards CSR (2004), consumers want to see companies take more action and expect the organizations to let them know what issues they are involved in. Consumers are also more and more aware of their "consumer power" and are more eager to use it to reward or punish companies depending on their actions. However as mentioned few paragraphs earlier consumers are not dumb and do not like to be treated as such, a dichotomy exists in which consumers want to know and be aware of the activities and actions on CSR being taken by companies, but consumers does not want to be bombarded or overload by this information. Companies should make an effort to tell us but should not send significant amounts (MORI, 2000). Dawkins (2004), also points out that while the general public declares that they care about responsible corporate behavior, their awareness of what is being done has remained fairly low for the last ten years.

The bottom line is that while consumers are interested in CSR they are lazy as well; also that consumers as they get to be more and more aware of their power of consumption over companies, they want to see companies take care more of their interests and will use their "consumer power" to reward good companies and punish bad ones. On the company's side, organizations must search and find a balance where the success of their communication matches the demands of information required by consumers and find effective ways of communicating CSR in mass media to engage the "consumer power" and have a direct effect in the consumer purchase behavior.

2.6 Trends and CSR

According to Vejlgard (2007), a trend is a process driven by human beings in a sociological pattern that has been going on for centuries. Because it is a social activity, different and new

ways of communication that affect social interaction affect trends as well, so technology has to be considered when discussing the future of trends.

There are different ways in which trends spread through the market. The most common is by copying. Vejlgaard (2007) uses Prada and Zara as examples. Prada presents a new fashion line, then Zara copies the designs and they have them in stores before Prada originals are in their own store. This allows different trendsetters to follow more fads. Regarding fads, Vejlgaard mentions that the fact that there are more people following fads will not create more fads; the fads are already there.

Another factor that will affect the way in which trends spread is the growing number of the world's population. On the one hand, this means that there will be more people that customers can watch and observe, therefore if there are more people to observe the trend process will be quicker. Travel is another element that speeds the trend process. The more people move around, interact, watch and observe people from different places the faster new fads are communicated and or adopted and promoted.

On the other hand, the media does have a strong influence on the trend process, because the change in the media channels can affect the speed and reach of trends; it can either help it to move faster or limit it by filtering and personalizing content (Vejlgaard, 2007). An example of this are the magazines which are as globalized as Internet or even a more globalized media because one magazine, with one main content; can be published in more than 30 languages, with 53 editions worldwide and a 60 million readership base. Whereas the Internet has more and more people personalizing and customizing the information that they receive, therefore they may not be as informed about many different aspects as they would be by reading magazines.

The problem presented by Vejlgaard is that media proliferation has created an information overload. Therefore people are more selective about the media that they pay attention to and as a result they are less informed.

An example of this problem and its effect on the trend process is Facebook and other polysocial networks. Polysocial web sites make it easier for people to join bigger networks of people, but in fact these groups tend to be more specialized, smaller and closer digital communities. The outcome of these groupings is that people in fact join a huge social network but in reality they are not connected to all, just to a few.

Vejlgaard (2007) concludes that getting electronic information is not as inspirational or engaging to people as mingling. Real life experience, observing and imitating people in real social settings is far more effective and engaging. Also, electronic media can be considered to be slowing the trend process and the delivery of specific messages to general audiences. The effect that this has in trends is; that for a trend to get started and recognized, there must be a larger number of people that are willing to accept it and adopt it. Therefore if electronic media is based on individualization, fewer and a less varied group of people will read or get the same information at the same time; therefore making it more difficult for a trend to gain momentum.

The idea of going green and environmental awareness is not new, as mentioned in page 3 of the introduction among some of the early examples of literature targeted to mass audiences was a book published in 1989 that talks about the green consumer. CSR and sustainability reports are part of a trend that started as a weak signal and has gone mainstream in the last 5 to 8 years. Trends work in waves in which one trend is the reaction of another trend; in the case of CSR and sustainability reports it all got started from customers reacting to the behavior of organizations. Everything originated from the need to know what the company's environmental activities were, also the companies' relation with the surrounding community, production practices and employment right etc. Corporate Governance was born as a reaction intended to satisfy this and other specific customer demands at the time.

Through corporate governance and the commitment of companies CSR and sustainability reports came to be; at the moment it seems that the consumers' reaction to this will be in the form of product consumption. Companies that are able to communicate properly what they are doing and how they are working in keeping and restoring the environment will indeed retain consumer loyalty, grow in market share and increase revenue.

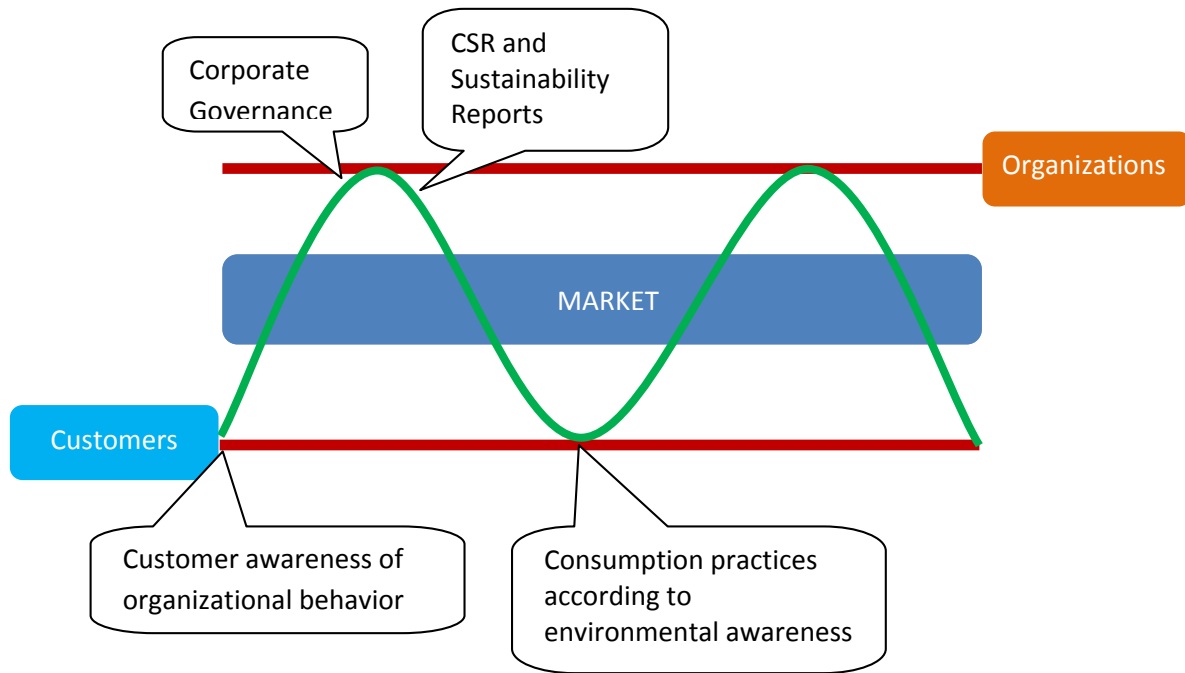


FIGURE 4: CSR wave of trends.

3. Stakeholder

3.1 Types of Stakeholders

A stakeholder is a person, a group of people, or an organization that has a direct or an indirect interest in an organization. A business can have several stakeholders who can affect or be affected by the organization’s activities. The key stakeholders include consumers, management, owners (shareholders), unions, and the community from which the business draws its resources. Other groups and organizations that can be considered secondary stakeholders are NGOs, mass media, specialized media and investor advisors because even though they are not directly affected they do have an indirect interest in the organization.

As mentioned in the introduction (p. 4), the objective of this study is to find out whether CSR and sustainability reports have any effect on consumers. It is first necessary to identify what stakeholders this study will focus on and describe their characteristics.

Key Stakeholders

Management

Management is composed of directors and managers who have the power and responsibility to make decisions about what actions a company should take. Management formulates the corporate policy by organizing, planning, controlling, and directing the firm's resources.

Consumers

They are the individuals that purchase goods or services retail on a daily basis. Consumer can also be the end users who may not necessarily be the purchasers of the product or service.

Secondary Stakeholders

Mass Media

Communication channels by which different types of information like news, entertainment or promotional messages are distributed. It includes different broadcasting media such as newspapers, radio, TV and the Internet.

Specialized Media

Communication channels that specialize or focus on broadcasting information of one specific topic or subject. The broadcasting media can include official company websites, specialized magazines, professional journals, TV documentaries.

NGOs

The acronym stands for non-governmental organizations, but the term has many different uses; it can be used to refer to the independent sector, volunteer sector, civil society, grassroots

organizations, transnational social movement organizations, private voluntary organizations, self-help organizations and non-state actors. In this study, the term is used to refer to independent civil societies that have interest in following the organizational and environmental practices of a company.

3.2 Communication, organizations and stakeholders

The relation between company management and their stakeholders depends on the communication media that they choose to use. The communication process between the two is called stakeholder dialogue. As mentioned before, different organization have different stakeholders, and depending on the intended effect and target stakeholder different dialogue practices should be adopted. These practices should structure the CSR message in different ways so each stakeholder group receives the message in a way in which they can understand it.

It is crucial for any business organization, small or large, to take into account its stakeholders' perceptions which are likely to have a major impact on the interactions between the firm, those who have an interest in the firm, and who are affected by it (O'Riordan & Fairbrass, 2008). What this means is that companies, specially their communication, sales and marketing managers, should be aware of the opinions and perceptions of the different stakeholder groups and establish proper channels to communicate and inform of their CSR activities to each stakeholder group.

The research by O'Riordan and Fairbrass (2008) which focused on international pharmaceutical companies points out that in recent years "big business" has come under more pressure from their stakeholders, more specifically their consumers, to act responsibly. According to Freeman (1984), investing time and resources in addressing stakeholders' interest is a justifiable managerial activity. Thus the importance of knowing how to communicate to different stakeholder groups, and through which communication channels to do it, is essential for delivering the CSR message properly and achieve the goal of engaging specific target groups that will consume the product and increase company revenue. Murray and Vogel (1997) state that stakeholders acting formally or informally, individually or collectively, are a key element in the firm's external environment that can positively or negatively affect the organization.

Consequently, from a business point of view, stakeholder dialogue can be seen as a form of “exchange” of CSR offerings between the firm and its stakeholders (Murray & Vogel, 1997). It is an exchange based on the fact that a company will offer something of value to an important constituency, and in return it will receive support and approval from other key stakeholders in its environment (Fairbrass, 2006). According to Burke and Lodgson (1996), there are five dimensions in the dialogue strategy that are particularly important to the success of the firm in its CSR policies, programs and value creation process. These five dimensions are Centrality, Specificity, Reactivity, Voluntarism and Visibility.

According to O’Riordan and Fairbrass (2008), the existing models fail to serve CSR strategists in a comprehensive, all inclusive, structured, yet practical way. So, they developed a new alternative model which could be used by companies to plan their strategies in three ways. First, the model could be used as a graphic discussion and communication aid platform. Second, it could increase credibility among stakeholders because it delivered the information in an easy comprehensive manner. And thirdly, it will allow manager to identify risks in its graphic, all inclusive structure.

The O’Riordan and Fairbrass model is composed of five basic elements which are stakeholders, context, management responses, and events and in the center connecting the other four elements is CSR stakeholder dialogue practices. The framework is presented in a graphic chart so visual reinforcement can help people understand how separate parts interact with each other and affect one another.

The importance of O’Riordan and Fairbrass (2008) research is that it presents an integrated framework in which stakeholders priorities are identified, then taken into account, then acted upon by management and finally communicated back to the stakeholders. The importance of this framework regarding the current study is that it can also allow companies to structure their CSR message, communication and marketing strategies according to each objective and specific target group. The result of this will be that consumers will be aware of the companies’ CSR activities,

and, consequently, of their organizational image, company value, loyalty, and revenue will increase.

4. CSR and Expectations

4.1 The importance of CSR reporting

In an interview on February 12th 2008 George Pohle, VP and Global leader of Business Strategy Consulting for IBM reported on an IBM study involving 250 companies. Their objective was to find out how important CSR was to the way companies think about their businesses and the way they manage their daily businesses. In the interview, Pohle described the role that CSR plays in supporting society.

The research made by IBM focused on one main question: How to do well in business as well as do something positive for society? According to Pohle (2008), looking for the answer to this question the researchers found out that companies should be looking at new vehicles to drive CSR as means to drive new revenue streams, to gain and retain customer loyalty, to seek new market share and to develop new products and services.

Pohle (2008) pointed out that energy companies are a good example because they focus on poor areas such as India and China, helping local communities to develop new sources of power generation based on different types of fuel instead of traditional oil gas. By doing this these companies are helping local communities and at the same time they find a new source of revenue.

In the past few years, the Internet has become one of the critical drivers of CSR because it provides consumers with:

1. Greater visibility into the actions that the company is taking
2. A chance to band together, to form groups of interest and exert influence into corporations and the way they drive their business. As a result, companies are taking the following actions:

- a) Increasing transparency in the way they operate. Companies provide more information to the consumers about what they do and how they do it for consumers' benefit. As a result, consumers know when something is amiss and in most cases volunteer to solve problems that might arise.
- b) Advocacy Issues which include supporting new opportunities to collaborate and interact with consumers. That way they get better feedback from their customers on a daily basis regarding products and services as well as the way they conduct their business with different local communities and overseas.

Pohle (2008) also points out that CSR had different stakeholders, and interest groups. Out of which the most important stakeholders are the consumers, because they exert the greatest influence to change the direction of a company, and secondly shareholders; out of which the most senior ones are the ones that care the most because CSR has the ability to build or damage a brand almost instantly. It can be considered a matter of high risk that will give high opportunity.

As for constituencies George Pohle (2008) mentions three main groups. First, the employees, today people are looking to work for a company that has a level of social consciousness. Better image better talent working for the company. Second, NGO's and governments, these two have a very important role in managing and supervising CSR regulations and laws, and finally customers.

Pohle (2008) mentions that during the research they found out that $\frac{3}{4}$ of the companies that were used did not understand any of the expectations that their customers had regarding their CSR responsibility and only 16% had approached their customers to find out more about what the customers are looking for. He concludes that companies have not realized that CSR can be a tool for growth and not for risk litigation, and CSR is a revenue play that gives a company the ability to create stronger connections and retention of market share with their core customer.

Pohle explained that today's tendency is going green however companies should also care about other CSR practices such as labor management. Going green does not mean forgetting about other CSR regulations because customers that are sensitive to green issues, odds are that will also be sensitive to labor issues.

In his interview, Pohle (2008) concluded by giving a few recommendations for what a company should do regarding the next steps in the future.

1. Get a better handle of what customers expectations are of the company and build a way in which they can become more transparent and more interactive with the customers.
2. Imbed CSR thinking and action into the way they ran their core business.
3. Engage its entire employee population as the engine for driving new CSR opportunities.

Pohle concluded by saying:

“CSR will have a profound impact on business going on forward and the reason is that consumers are about these issues and they are making buying decisions based upon CSR performance of the companies.”

Drawing on the IBM study, it seems clear that CSR reports and environmental awareness through sustainability reports are subjects of great important for senior management and that their value is also reflected in many ways. In addition that CSR reports do add to organizational image, increase share price in the stock market, and there for enhancing company value. But, in reality do CSR reports affect the decisions of consumers? The objective of the current study is not to prove or disprove whether CSR reports affect the value of a company and its organizational image. The objective is to answer one question. Do CSR reports have a direct effect on what brand a consumer will purchase? And, what media can be used to better communicate to the consumer what a company is doing for the environment?

4.2 Readers and Reporting

In 2008, KPMG Bartels, Iasen-Rogers and Kuszewski made a report called Count me in; the readers take on sustainability reporting. Through a set of interviews and questioners the objective of the report was to find out who really reads CSR and sustainability reports and what they do with the information of the reports.

The report starts with one main assumption which is that in the past companies have focused in setting the proper regulations to achieve quality reporting; but no effort has been made to understand who the readers of the report are. Even more interestingly, the researchers found out that many of the readers for which this kind of information is intended do not even read the report because “They feel they have more direct means to communicate with the company”(KPMG, 2008) Another interesting point arising from the interviews was the answer given by Ernst Ligteringen, Chief Executive of GRI. When he was asked: What do readers really think about sustainability reporting? Ligteringen answered “Little is known about the views and experiences of intended readers – and how sustainability reporting influences markets and stakeholder relations” (KPMG, 2008). According to the survey made by KPMG out of 2279 people that completed the survey around 10 percent of the people belong to civil society and around 5 percent are individuals, everyday Joe’s. And more than half are business readers, which means that end consumers do not really get to know what different companies are doing regard CSR and sustainability.

For the purposes of this research, the most interesting chapters of the report were the second and third chapters; so for the moment, only these two chapters will be referred to. The second chapter focused mainly on finding out how readers use the sustainability reports and how do these reports affect their perceptions of a company. According to the findings that were presented, reports help readers to decide what products to buy and from which company, but the results also mentioned that sustainability reports were similar to other sources of information. It was also interesting to see that even when most people say they read the reports to get information, less than 30 percent of the readers actually read the reports and takes action based on them. Even more; around 90 percent of the readers mentioned that sustainability reports do influence their views, but only 50 percent answered that they would consider making the decision to buy products or services from the company that made the sustainability report.

The main objective of Chapter Three was, to find out what was the response from the readers to the sustainability reports, in other words what their opinion was. The questioners revealed that most of the readers mentioned that the information was ok and that detail was also satisfactory, none the less business users had better opinion on the reports than non readers. In general, it can

be assumed that non-business users are always having more negative responses towards the information reported by the company. A relevant number of about 25 percent of the readers who belong to different parts of society believe that the issues that they as consumers consider to be the most significant are not included in the report.

The problem is that there is not one single subject that the readers could pinpoint as the only and most important thing that is missing, the report mentions that the non expert readers appreciate stakeholder engagement; however, it can be argued that stakeholder engagement is not the same as understanding the consumer of the product or service. It seems that companies are not thinking about end consumers, the effectiveness of the communication channel or even whether common consumers know and understand the message.

The report does not mention it, but there seems to be a communication problem with the usage of channel or the message structure. If the objective of CSR and sustainability reports is to enhance organizational image, increase revenue and consumer loyalty then the message has to reach and be understood by all interest groups. This means that different messages might have to be delivered through different channels in order to reach each group in the most effective way, and obtain the desired answer from each group.

4.3 Relationship between business ethics and consumers

Several researches have been done on the relation between company ethics and marketing, Laczniaak and Inderrieden (1987), and Thompson (1995), are a couple of examples. But attention and interest for these researches has expanded and arisen in many corporations who are also concerned about business ethics and corporate social responsibility (Creyer & Ross, 1997).

Many different kinds of crisis can occur within a company and with its outside environment; these could be related to organizational culture, production practices, environmental and social impact or a global economical crisis like the one the world is going through today, that could affect the ethical and organizational image of a company. Many different approaches can be

taken to handle these problems, but having a corporate ethics policy also seems to facilitate the process of recovery after an ethical scandal (Creyer & Ross, 1997)

According to Creyer E.H. and Ross W.T. (1997), the lack of respect that many people feel for companies today is originated in great part by the press and its negative reporting which is added to the willingness of employees of unethical corporations to “blow the whistle” and let the general population know what these companies are doing. In Finland, A recent example involves the supermarket brand called K – Market in which an employee wrote an article to the national newspaper Helsingin Sanomat to report how food managers in some of the stores were taking packed food that was about to go bad, placing it in the fresh food section and charging extra for it.

Other elements that are considered to affect the perception of the ethical behavior of a firm are consumer reference points. If an organization meets only the basic or minimum requirements given by the law, then it is not perceived as an ethical company. Consumer expectations can be viewed as the base line of what an organization is required to do and communicate, but cases in which company actions exceed expectations are positively rewarded by consumers and stakeholders and viewed as great commitment from the firm towards its values.

Previous literature on the subject of ethics and consumer behavior points out that in relation to the ethicality of a company, consumers are willing to pay a certain price for products. This is the way in which consumers communicate their approval or disapproval of the actions taken by the firm. It can also be assumed that the more ethical an organization is, consumers give higher value to its products and are willing to pay more for its products. On the other hand consumers will not be willing to pay money for products coming from companies that are not considered ethical or that are produced by firms who are engaged in unethical behavior.

The Creyer E.H. and Ross W.T. (1997) study reached three main conclusions. The first one is that consumers are willing to reward ethical behavior and punish unethical behavior based on their expectations of how a firm should behave. Second, in the case of similar competing product brands consumers will buy the product from the firm they consider to be ethical. and Finally

consumers are willing to reward ethical behavior by paying higher prices for products made by such firms.

To conclude, it would be logical to assume that there is a direct correlation between how ethical a company is perceived to be with market share and success. Then this situation gives marketers the opportunity to differentiate their products from others on the basis of the ethicality of the company with the objective of increasing sales and revenue.

4.4 CSR and the focus of corporate marketing

In general all stakeholders have certain expectations regarding the activities and productivity of any given company; in recent years expectations concerning CSR have become more and more important. Creyer and Ross (1997) define this expectations as beliefs of what is expected that play an important role in many decisions. In relation to CSR, Maignan (2005) mentions that stakeholders share similar expectations of what are the desirable corporate practices, and Dawkins and Lewis (2003) state that the CSR factors that matter the most to consumers are employee rights, community involvement, ethical and environmental issues.

Podnar and Golob (2007) research investigated the relation between personal expectations of corporate social responsibility (CSR) and their disposition to support socially responsible companies based on the corporate marketing model. This model suggests that ethical-philanthropic seem to lead to a competitive advantage which is based on desired customer response and reward. The model was defined by Carroll (1979) and proposes that in the relation between any given companies CSR norms and its stakeholders it should fulfill four main expectations “the economic, legal, ethical and discretionary expectations that society has of organizations at any given point of time” (Carroll, 1979).

The research was done through an online survey that collected the answers of 354 people. The demographics of the sample were 57% of people that answered were female and 43 male; the age range of the group was between 20 and 40 years of age. However, there is one problem in their demographic characteristics which is: younger, better educated and wealthier respondents are

over represented. This is due to the nature of an online survey to which it is assumed that the less solvent general population did not have access to.

The researchers found out that individuals expect companies to be legally responsible and that they meet their ethical and philanthropic expectations. Also, those consumers tend to expect that companies will focus in achieving social and legal goals rather than high levels of economic performance. Finally, the most important thing to do is to meet customer expectations, this will be reflected in their readiness to support responsible companies by consuming its products and irresponsible companies will punished by not consuming their products.

From this research it can be deducted that companies should think very seriously in investing in proper corporate marketing, so that their ethical, social and environmental practices are properly communicated to their target customers; this in return will help the organization to reinforce organizational image and brand loyalty. In the words of Podnar and Golob (2007) fulfilling stakeholders ethical and philanthropic expectations is not an obstacle that reduces the company profits but rather a way to enhance their bottom line, and at the same time contribute to society.

5. Consumers

5.1 Factors affecting consumer behavior

Consumer Behavior is defined by the activities people undertake when obtaining, consuming and disposing products and services. These three activities are understood as follows: Obtaining refers to the activities leading up to and including the purchase or receipt of a product. Consuming means how, where and under what circumstances consumers use products and Disposition refers to how consumers get rid of products and packaging. (Blackwell, Miniard & Engel, 2006)

This research project will focus more on the action of “obtaining” which includes the activities of searching for information regarding the product features and choices, evaluating alternative products or brands and purchasing. Since, collecting as much information from a product has a

big effect in the decision of a consumer, knowing how a product is disposed has also a big impact in the customer's decision to purchase or not a product, this information shows a closer relation to ecological and environmental issues from the company and product. For example, how and where do I dispose of the product? Is it biodegradable? Can it be recycled?

Consumer behavior starts with one primary assumption which is, that the consumer should be the main focus of every aspect of a firm's marketing strategy. In the case of CSR reports, which at some extent can be considered as a marketing tool as well, this would mean that the reports should be made taking into account reader's opinions and needs for information, also the ability from each group of consumers to understand the message being given by the company.

Since the objective of a CSR and sustainability report is to inform the different interest groups what the company is doing regarding this subject. Its aim is to increase organizational image, company value and revenue. When writing the reports companies should keep in mind that consumers only pay for products and services that satisfy their needs (Blackwell, Miniard & Engel, 2006); this means that CSR reports should be written thinking specifically of consumer needs, and communicated through the right channels.

According to Blackwell, Miniard and Engel (2006), when a consumer is going to buy a product he or she can be influenced by the company through different elements. These elements can be brand, price, quality, service, promotions and advertising. So, advertising and CSR should be complementary tools used by a company to achieve the objectives mentioned above.

In relation to the importance of knowing and understanding consumer behavior, there is one statement which explains perfectly why it is important. Consumer behavior determines the economic health of a nation (Blackwell, Miniard & Engel, 2006). What Blackwell, Miniard and Engel are saying is that consumers through their money and product consumption choose what companies they like, want to see survive and be profitable. Companies write CSR reports to increase company value and revenue. At the end of the day through consumption consumers will decide what company has good sales and increase its share price. Therefore if properly

communicated and promoted CSR will be an essential tool that will help the company achieve the goals for which it was originally intended.

Other reasons to knowing, understanding and applying consumer behavior in CSR and its communication is that in the last decade there has been an explosion in competition with global markets and a control in population growth which are the two components of a market in which too many companies try to sell to too little customers. This shifted the power from a supply and demand economy to a consumer demand economy in which the consumer is the one that decides what he or she wants, when and where and companies have to adapt and know the consumer better in order to stay competitive in the market.

5.2 Consumer Decision Making Process

If we consider the fact that people in general will buy a product only when they are in need of it; then understanding how people realize the need to solve a problem or a desire will help us identify what motivations make people buy everyday different products of all kinds. The consumer decision process in short CDP, is a model that represents the activities that happen when a customer is making the decision to buy something. The CDP shows in a schematic way, the internal and external factors that affect the perception of a product in the eyes of a consumer.



Today's model which is the one that is shown above is the evolution from a previous model created by Professors Engel, Kollat and Blackwell from Ohio State University called the EKB

model; over time and with the added knowledge of Professor Paul W. Miniard the model was developed into today's model and it is known as the EBM model.

The model has seven different stages through which consumers go. Out of these phases this study will focus on the second which is "search for information", the third which is "pre-purchase evaluation of alternatives" and the last stage which is "divestment" to explain what the areas are in which CSR and sustainability reports can have an effect on people and in their decision making process.

In the second phase of the CDP process the consumer has already realized that he/she has a need. The following step is to look for information about different products that might satisfy his needs. This search can be Internal or external. The internal search takes place when a person uses previous knowledge from past experiences or memories; whereas the external search occurs when the person collects information from colleagues, family, friends and marketplace. (Blackwell, Miniard & Engel, 2006) Also there are different ways in which consumers search for information; in some cases the consumer is passive and is more perceptive or receptive of the information that is directed and around him. At other times, the consumer takes a pro-active attitude and looks for information in different outputs such as consumer publications, looking at specific ads, the Internet, asking to sellers in retail stores, visiting different retailers and exchanging experiences with peers.

There are controllable and un-controllable factors that affect the time a consumer has to search for information and make a decision. If the purchase is planned the consumer can take as much time as he/she wants to go through the CDP process. However if the need of purchase is unexpected then the consumer has much less time to gather information and make a decision, in this case availability of information and product is an important factor because time is essential for the consumer. According to Blackwell, Miniard and Engel (2006); the search is determined by variables such as personality, social class, income, size of purchase, past experiences, prior brand perceptions and customer satisfaction.

SOURCES OF INFORMATION

There are two sources of information, Marketed dominated and Non-marketed dominated. Marketed dominated refers to any kind of activity that the producer and seller of a service does to put out information about its products with the objective of persuade customers to buy it. These can include TV, magazine, radio, cinema, and Internet advertising, infomercials, point of sales material, salespeople and product placement.

On the opposite side, there are external sources of information over which the seller has no control, and in most cases this are the most important for consumers. Such sources are called, Non-marketed domain and include friends, family, trend setters, opinion leaders, and alternative media. These sources can spread the information through word of mouth which can be very powerful especially because the source is more reliable than a mass media advertisement. Other sources are consumer reports made by government agencies and specialized publications. The Internet has risen as a communication channel where consumer search and share experiences from peers and company web sites can be visited as reference.

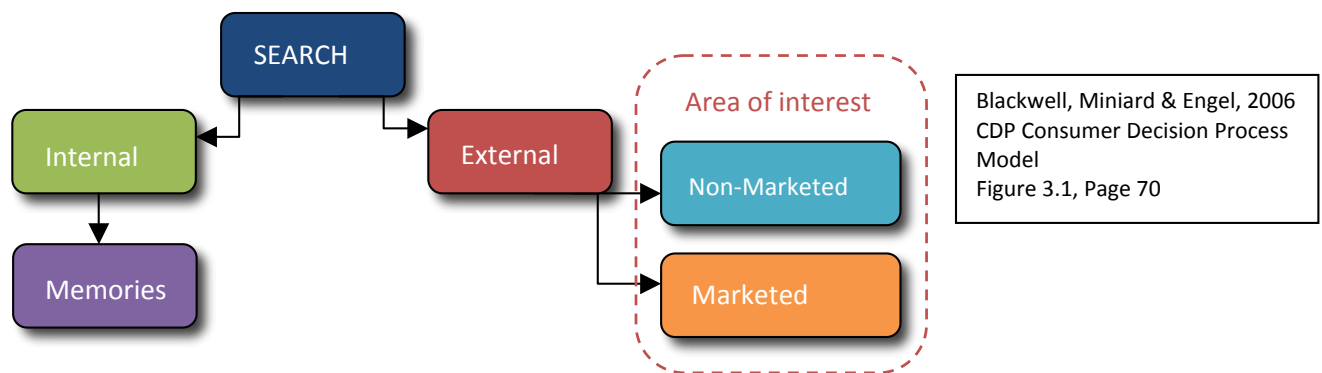


Figure 6: Areas of interest in the CDP

In many cases, companies use the Internet as their main communication channel for CSR and sustainability reports. But Blackwell, Miniard and Engel (2006), mention that the efficiency of the flow of information is limited by the site itself. It depends on the structure of the site, how easy it is to access information and if it understandable and easy to use to compare it with other

sources. It is the execution of a website that influences how consumers will use it in the consumer decision process.

Due to the nature of the reports and the channel of communication being used CSR and sustainability reports can be regarded as a non-marketed dominated source. But, are the channels of communication being used at the moment effective? How many people are aware of a company's CSR and sustainability activities? If the intention of these reports is to increase revenue and organizational image by informing the general public of their activities regarding sustainability, then this information should be marketed as well in order to be able to reach a bigger crowd. I believe that CSR and sustainability reports can be used as marketed dominated sources of information if the information and message is adapted to mass mediums of communication.

INFORMATION PROCESSING

Blackwell, Miniard and Engel (2006), explain that after a consumer has done one's research he/she collects the external info and combines it with one's internal experience; and this process is constituted by five stages.

The first stage is called *Exposure*. At this stage the information must reach and persuade the consumer, this process has the objective of activating one or more of the senses so that the process can begin. The second stage is *Attention*. The main objective of this process is to capture the consumer's attention so that he/she will remember the information given. The more relevant the message and its content are, the more likely the consumer will pay attention to the message (Blackwell, Miniard & Engel, 2006). The third stage is *Comprehension*. Once the message catches the attention of the consumer he/she will evaluate and compare its meaning with his/her memories and experiences, after that the message will be comprehended. In the fourth step, *Acceptance* occurs. This means that after the information has been understood or comprehended then it can be accepted or not. The objective of the message and the information that it gives is to change the existing beliefs that the consumer has, but before the attitude can be changed, the

message must be known, understood and accepted. Finally, the last stage is the *Retention* which can be considered as the final goal. For this to happen, the message must be communicated, comprehended and accepted; therefore the information will be stored in the consumer’s memory and it can be used in the future.

It seems that if CSR and sustainability reports are intended to have a direct effect on consumer decision making that in return increase revenue, then the reports and the communication strategies used to give the desired information should be analyzed through this process. This is one of the main objectives of the current study.

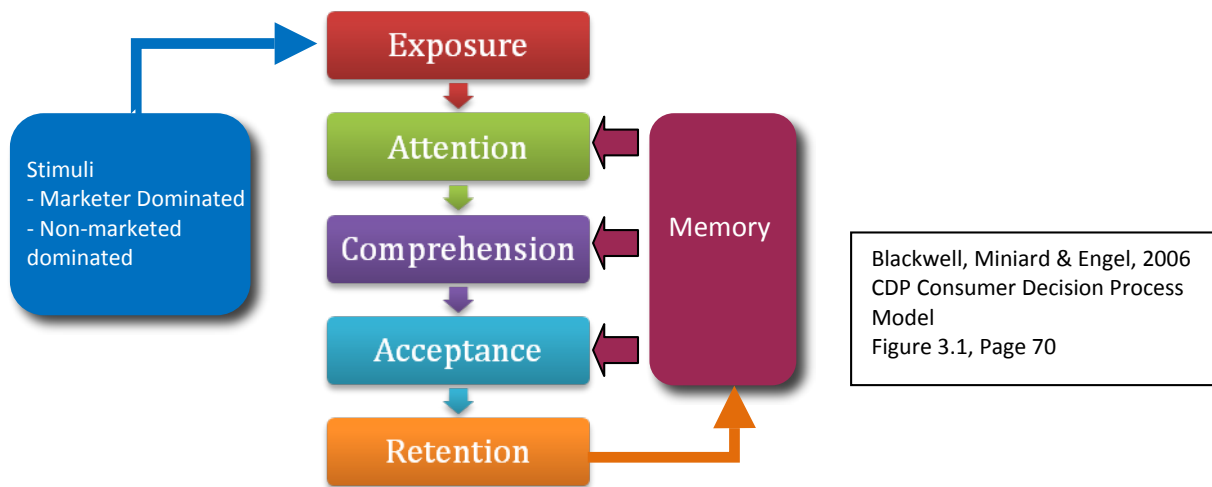


Figure 7: Areas where CSR can have an effect in the CDP

Pre-purchase evaluation which is the third stage of the CDP is where the consumer compares what he/she knows about a product with what he/she thinks is the most important asset of the product. At this stage the elements that differentiate a product from the rest will be relevant for the consumer who usually asks questions like “What are my options?”, “Which is best?”, “Which one gives me more value for my money?”, “Which one is more environmentally friendly?” and “Which one do I like most” amongst others.

As mentioned before in the second phase of the CDP process, consumers will use their memories and preexisting evaluation to stay or select new brand, product, service or store with the

objective of satisfying their needs and desires with the consumption of the product. Since each consumer has specific needs and values and lifestyle, each consumer develops its own criteria of evaluation for each specific product; but Blackwell, Miniard and Engel (2006), state that in general there are two attributes that affect the comparison no matter what the background of the consumer is.

Salient Attributes which are the price, quantity, reliability and general elements of a product that do not change much between products intended to do the same task. Then there are the *Determinant Attributes* which can be defined as the details of a product that make a difference. Such details can be style, design, finishes and quality. DA usually determines which brand or store consumers choose (Blackwell, Miniard & Engel, 2006).

It seems to me that CSR and sustainability reports if communicated properly can be regarded as determinant attributes. The bottom line is that these reports are produced with the objective of increasing revenue whether in stock price or sales. The information in the reports like carbon footprint, recycled materials used in the production, energy consumed, environmental responsibility in their production plants, social commitment to local communities, disposal of the product and recycling possibilities are all determinant attributes. All of these attributes do make a difference in the perception of the consumer and increase the value that the product has in the eyes of the consumer.

Disposal of a product can be used as a determinant attribute that can and should be better marketed and used in promotion of any given product. An example of this is Nokia. The company has a program of recycling old phones and batteries. The way it works is that the customers drops his phone in a box in any given Nokia flagship store or Care center or the special collection point for electronics waste (organized by producer associations), the selected recycling company picks up the material for recycling. From Nokia's behalf this is a great investment and effort in their sustainability and environmental practices, but the truth is that most people do not know where and how to recycle because of the lack of awareness. The information is mainly published in company internet pages and, the collection centers are not promoted and the general market did not know about it or if this was permanent or temporary. At

the end of the day people did not know about this program and from the consumers perspective there was nothing new happening with Nokia.

This Nokia example shows why the seventh stage of the CDP Divestment should be promoted and paid more attention to. Blackwell, Miniard and Engel (2006), state that when a consumer has finished using any given product he/she has the option of re-selling, recycling or throwing the product away along with its packaging and product information like instructions. It can be argued that, the disposal of a product is a determinant attribute; an environmental issue that can affect the decision of a consumer. A product recyclable and easy to dispose off has an added value for consumers with environmental concerns.

5.3 Herman's Stockholders in Cyberspace

Computer-mediated communication CMC is “the process through which humans create, maintain and transform meaning by interacting as users of computerized systems of communication” (Lindlof & Taylor, 2002). Andrew F. Herman talks about how people use the Internet to make sense of ambiguous information, which is given by organizations in their publications. Sense making is about the enlargement of small cues. It is a search for contexts within which small details fit together and make sense (Weick, 1995).

Herman suggests that the premiere of 24 hours news networks and financial news networks and the inception of new financial communication business aimed at individual investors, contributed to increasing amounts of data related to markets and stock; therefore creating more noise. Also, the growth of Internet in the 1990's added another telecommunication outlet for financial information, allowing investors to research equities online and actively trade those equities through online brokers. In relation to the previous arguments Herman mentions that according to estimates from 2002, approximately 580 million people are now communicating online. (Cassidy, 2002)

In order to understand information, investors group in online communication to reduce ambiguity and attempt to understand mass amounts of ambiguous financial messages from a

variety of sources. Relevant for my research is the fact that Herman mentions that online financial communities help people, non experts to make sense from diverse financial messages that are ambiguous and come from various sources. The public for financial and investing information includes individual, investment bankers, mutual trust funds and securities analysts. (Hawkins & Hawkins, 1980; Jameson, 2000)

New communication technologies like Internet allow individuals the opportunity to make sense of information online in various cyberspaces. None the less, the problem is that too much information creates misinformation. Given the tremendous number of messages in the environment, members of financial discussion boards, investors and consumers need to discern what messages are important so they can make sense and create their own opinion and take action depending on it.

To conclude it is important to notice that even though Herman emphasizes how people create financial communities with the objective of understanding what are companies trying to say, he does not define what is the relation that an individual investor has with annual reports, or how do they use this information.

6. Data and methodology

6.1 Research setting

As Thompson (1995) and Podnar as well as Golob (2007) point out in their research, knowledge and expectations regarding ethics and CSR have increased exponentially during the last decade due to the great amount of research and empirical studies that have been carried out. Most of these studies have focused on analyzing ethical behavior, corporate practices and production methods of different businesses and levels of management and have been complemented with studies regarding the judgment of marketing professionals as to what is ethical or not.

In the realm of corporate B to B, financial markets and others, CSR reports have an effect on business decision makers and how they respond to ethical or unethical practices and policies. These effects can be reflected in stock price and the market value of a company. However it is also very important for a company to understand how consumers interpret and react to the information given in CSR reports as they decide what product or brand to buy; the effect of this decision can be perceived in a more basic but equally important measure of well being for a company which is its revenue.

The European survey of consumers' attitudes towards CSR carried out by MORI in 2000 found out that in general seventy percent of Europeans say that a company's commitment to CSR is important to them when buying a product or service. This means seven out of every ten consumers can be influenced by CSR. However, even though consumers in general are aware of the importance of CSR, consumers are not proactive when searching for CSR information regarding the products and services they are interested in. One in seven of the European public actively seeks information on ethical activities (MORI, 2000). Consequently, there are still six consumers who care about CSR but are not getting any information regarding that issue from the company. Out of the people surveyed in Finland (1,012) fifty one percent are willing to pay more for products of environmentally aware companies, so if all the previously mentioned statistics are viewed from the view point of the Finnish market, this will mean that out of every 10 Finns, seven care about CSR, since on average fifty percent of Finns are willing to pay more for products from companies which are socially and environmentally responsible then in Finland three to four consumers will pay more and the other three consumers will choose these products over those of companies that are not socially and environmentally responsible. So, if companies want to increase their market share and revenue then they should focus on communicating and marketing their CSR strategies and activities properly.

The vast majority of the literature reviewed in this research project points out that consumers will react and reward companies through consumption practices. Good ethical and environmentally aware companies will receive better support from consumers by buying their products and services; on the other hand, unethical and environmentally selfish companies will be punished by the all mighty Euro of the consumer by not using their products or services.

Therefore as the general literature and authors like Blackwell R. D., Miniard P. W, Engel J. F. (2006) point out the future trend of consumer behavior is one where consumers reward companies that are environmentally aware and have ethical practices through their consumption practices, Dawkins (2004), based on the survey performed by MORI in 2000, reached the conclusions that companies in order to affect the decision making process of consumers should develop a clear communication strategy with aspects that best fit the stakeholders' concerns and tailor the content, style and channel of communication to the different expectations of various stakeholder audiences. However, in general there is one topic that up until today the literature has failed to fully address: it is the efficiency that the current channel of communication has in delivering the CSR information to specific target audiences like consumers.

As a result of previous research, the consumers' consideration of ethical issues has been neglected (Creyer E.H. & Ross W.T., 1997). Building on Creyer E.H. and Ross W.T. work in 1997 as well as Dawkins J. (2004) and MORI (2000), the objective of this research is not to find out if consumers care or not about a company's ethics. The objective is to find out if consumers actually know about the sustainable practices and what social and environmental activities companies are involved in and if they do actually perform consumption decisions based on the information given by the company in their CSR and sustainability reports.

6.2 Research questions

As mentioned in the introduction, the main objective of this research is to find out what is the effect that CSR reports have on consumers when purchasing a product. Also, what are stakeholders expecting from a company in relation to CSR. The idea is to focus and find out what the interests of different constituencies of a company are, more specifically consumers. Also what are the effects that CSR reports have on their perception of the company? And finally what media can be used to better communicate to the consumer what a company is doing for the environment?

CSR reports are one of the company's main communication channels to its key stakeholders and interest groups. General consumers are not expert users of CSR and sustainability reports or

annual reports; neither are they highly trained in finance or accounting, but they do have the power of deciding where to buy and what product brand to buy. These groups make decisions based on more than numbers, efficiency, productivity and rate of return; they base their decision mostly on company image, which is constructed by the information about that specific company that is available to them. So, a well-built and communicated CSR image with one message in all media will help a brand retain consumer loyalty, attract new consumers and open new sources of revenue.

Regarding CSR, seventy five percent of the general public in Finland says that companies do not put enough attention to their social and environmental responsibilities (MORI, 2000). Due to this statement, the first research question is: *How can CSR be communicated in a way in which consumers can understand and use its information to buy a product?*

In today's market anything or everything that management can do to put their company's name out there (in different media) to build a brand is beneficial in terms of income. George Pohle VP and global leader of IBM (2008) said that CSR can make or destroy a brand; therefore CSR has to be viewed also as brand management. If the objective in today's market is to use CSR to help to build a brand and increase its recognition and market share, then the benefits of having a strong and well communicated CSR strategy should also be reflected in revenue for products sold or services rendered and not only in share price.

The Internet and different electronic media technologies allow information to move faster with a growing capacity for information to flow, which has caused an excess of information. In response to this overflow of information web users have turned to tools of personalization and filtering of information while browsing and visiting web pages and other electronic outputs. What has happened is that people in fact get less information about general topics than they did before the electronic and media technologies boom of the late 90's. Using traditional channels of mass media in creative ways that are tailored to reach specific target groups should be considered as a viable solution.

Therefore it is a company's challenge to adapt the same information into different structures and kinds of language that all key stakeholders and target groups such as consumers, employees, investors, partners and specialized users can understand; another challenge is to decide which media and communication channel to use to deliver the message in the most effective way to the target audience. So, how can a company use the Internet and its organizational web page to communicate a unified statement about one topic and get its customers to know about it satisfying their information needs?

Consumers of annual reports and other financial information often have difficulty understanding the data provided, consider the information supplied ambiguous, and deem annual reports as inadequate sources of information (Courtis, 1986; Hill & Knowlton, 1984). Interestingly enough, the problem is the same for both ends of the user scale, experts who consider the information too basic and the general population think it is too full of jargon. The assumption can be made that the communication channel and the structure of the message is not fulfilling the information needs of any of the stakeholder groups.

Since the Internet is the main media that companies use to communicate CSR and sustainability reports to the market and experts face the previously mentioned problem it seems relevant to ask the second research question: *How do customers use the Internet to filter, make sense and share the information they get about any given company regarding CSR?*

In a very general way it can be stated that CSR and sustainability are composed by three main elements. First, its organizational governance which is the responsibility assumed by companies on how they will conduct their business; the second one is social commitment, which is the promise that an organization makes to help social development and health in their home countries and foreign. The third element is sustainability, which can also be considered as the agreement that a company has between its consumption of resources and the protection of the natural environment.

The relevance of the first two questions focuses on how CSR can be better communicated and understood by consumers, with the objective of finding a way to help a company achieve the

greatest benefit from CSR, one that is not only reflected in organizational image but also in revenue. However, the general public in Finland finds itself in a predicament; many people in Finland say that they care about environmental activities in their everyday life. Interestingly enough when asked which of the following activities: household waste, giving money to good causes, buying organic food, products or services that were labeled as ethical or environmental, campaigning for environmental and social causes etc. they have done in the last twelve months? According to MORI (2000), Finland came out in the 8th place out of 12 countries in the chart, meaning that most Finns are not pro-active regarding environmental activities in their everyday life.

In general, consumers are expecting companies to be involved in CSR, to let them know what are organizations doing, but they do not want to be overloaded with CSR and responsible marketing. Companies need to know if consumers are getting the information produced by them. How are consumers using the information delivered? Also, is there anything that the company can do to improve how customers comprehend the information so the message is understood properly? In other words, being more proactive in the relation with their consumers and understand their customers motivations, also know what are customers expecting from the company in order to plan future CSR activities in topics that are relevant to them, and understand what effect if any is their CSR communication strategy having? Are consumers buying because of it, or not?

All the previous enquiries can be resumed in one question, which is; *Do CSR and sustainability reports have a direct effect on the decision of a consumer to buy or not a product?*

Out of the three research questions, it is the third question the focus point of the whole research. But by understanding how the message is communicated by the company and how consumers make sense of it; the current study can obtain a more complete picture. The result will function as the basis to find out if the information given by the CSR and sustainability reports does really have any effect on consumers.

Thinking of the future and based on the literary research as well as exposition to mass media, it seems that as companies learn more about what are the interests and motivations in relation to

CSR and sustainability of their customers; the next step will be directed to “Ecological recovery actions” such as sponsoring or promoting research for clean energy and environmental recovery technologies. Shell and Toyota can be considered to be good examples of trend setting companies in the way they are communicating their CSR and sustainability commitments and achievements through different mediums of communication and turning it in to part of their main marketing strategy.

In the last few years, CSR and sustainability reporting has originated and developed from an organizational point of view. Issues in which a company should get involved are decided from the view point of management, and with little or none participation from other stakeholders such as customers and employees. New technologies like Internet that allow information to spread faster; also permit different groups to get organized, and interpret messages; but this technological advancement also has a problem, too much information causes disinformation.

The bottom line is that CSR and Sustainability reports are created with the objective of enhancing organizational image and justified by the assurance that they will increase revenue. To fulfill this promise, the challenge that companies will have to face with new communication technologies will be; how to structure and deliver the message clearly and to the desired target. The company will need to be able to understand what are their customer’s environmental motivations and desires and incorporate them into their CSR planning, activities and reporting.

6.3 Methodology

At the beginning of the current research, three companies were thought as possible candidates upon whom the research could be based on. NOKIA was chosen for the current study because it is an international Finnish company, a strong and recognizable Finnish brand that represents the Finnish culture and market. Another element that was taken in consideration to choose Nokia is that it is a company that sells its services to other businesses and its products to end users; therefore consumers have a lot of interaction and knowledge of this brand. Another factor that was taken into account when choosing this company is that Nokia has a strong CSR and sustainability strategy and it is committed to it in its everyday practice. Also, Nokia has been

recognized in the last few years as the most or one of the most environmentally aware companies in Finland. Finally Nokia uses its organizational website as the main channel to communicate its CSR reports and issues of interest.

Since the focus point of the current research is to understand and know the consumer, the method selected to collect data is a survey; and the survey would be available to collect answers for two weeks. The survey would be done to two sample groups, the first sample group will be composed by undetermined consumers that will receive and answer the survey by mail. Originally, it was projected to collect a hundred surveys, after two weeks ninety-seven responses were collected. The objective of this first group is to collect data from the Finnish market in general; this information will then be used as reference to be compared with the findings from the other sample group. The second sample group will be the Nokia group; consumers from the NOKIA Flagship store in downtown Helsinki will answer the survey at the store. Because the survey will be done at the store and it is possible to encounter a person that does not speak English and it will be easier for Finnish speakers to agree to respond to the survey in Finnish a Finnish version of the survey, with the exact same questions in the exact same order was done. It was projected to collect at least fifty surveys at the store; therefore a meeting was scheduled with the Manager of the Nokia store to find out which were the best days to do the surveys and it was agreed in that meeting that Saturday the 28th of November, Thursday the 3rd, Friday the 4th and Saturday the 5th of December would be the best days to do the survey. From the fifty surveys that were targeted at the end seventy six surveys were done in the store. An unexpected side effect of translating the survey to Finnish was that the survey collected data from two different groups of consumers in one place. The first group turned out to be a hundred percent Finnish and the second group was a mixture of different nationalities such as German, British, Indian, Spanish and Ecuadorian among others.

6.4 Survey

As mentioned before in section 6.1 up until today there is more than one topic that the literature has failed to fully address, one example is the efficiency that the current channel of communication (the Internet) has in delivering the CSR information to specific target audiences

like consumers, another example is how do consumers interpret and react to the information given in CSR reports as they decide what product or brand to buy. Since the objective of the current research is to understand and learn more about these topics an exploratory survey was the tool chosen to perform the current research; the intention is to explore the current situation between consumers and the CSR information produced by companies. The exploratory survey also allows the creation of questions that will serve the current research project and do not have to be justified or linked to any previous surveys or studies.

The exploratory survey will take the form of a statistical survey, which is used to collect quantitative information about items in a population. Surveys of human populations and institutions are common in marketing research and other similar practices. Any given survey may focus on opinions or factual information depending on its purpose by administering questions to individuals. For the current study a researcher-administered survey will be done, through a set of close-ended and a few open questions requested by Nokia. The aim of this approach is to ensure that each interviewee will be presented with exactly the same questions in the same order with the same possible answers. This ensures that answers can be reliably aggregated and compared between sample groups and subgroups.

The following are the three main research questions for the current study, Q1. How can CSR be communicated in a way in which consumers can understand and use its information to buy a product? Q2. How do customers use the Internet to filter, make sense and share the information they get about any given company regarding CSR? And Q3. Do CSR and sustainability reports have a direct effect on the decision of a consumer to buy or not to buy a product? In order to answer these research questions a set of five questions were designed to be used in a web-based survey for each specific enquiry. Apart from the twenty questions originally planned for the survey, in collaboration with Pia Tanskanen Senior Manager of Marketing and Environmental Issues from Nokia four extra questions were added. The first three questions dealt with demographics such as age, sex and nationality and the fourth and last question in the survey was an optional question that asked the interviewee for extra comments or opinions. The platform that was used to make, send and collect the information from the survey was [surveymonkey.com](https://www.surveymonkey.com) 4 sets of questions were used. (See appendix 10.2)

6.5 Data collection and limitations

As mentioned in the previous section, the platform that was used to make, send and collect the information from the survey was surveymonkey.com; the survey was open for two and a half weeks and ninety seven out of a hundred responses were collected from the survey that was sent by mail to the general public and seventy six responses were collected at the Nokia Flagship store in Helsinki out of the fifty that were targeted originally.

The survey that was sent by mail was sent to contacts persons from different companies or organizations such as Helsinki School of Economics, IDBM Clubi from HSE, Wulff, Valio, European School of Helsinki, and Clear channel among others as well as friends who then resend the survey to their own colleagues and friends. The result was pretty satisfactory, due to the time limitations. To collect the information from the Nokia Flagship store and be as time efficient as possible a meeting with the Manager from the Nokia store was scheduled. In the meeting the following dates Saturday the 28th of November, Thursday the 3rd, Friday the 4th and Saturday the 5th of December were chosen to do the survey. Two Saturdays because these are the days of the week when the store has the most visitors and the 3rd, 4th 5th of December because it is the beginning of the December shopping season and because the new N900 had just been presented which will attract a lot of people to the store. Also the manager and his team specified that the best time of the day to do the surveys would be between 13:00 and 18:00. Before 13:00 people are in a hurry and after 18:00 they are too tired. In conclusion these four days, at the programmed time would be the best days to do the survey according to the store manager and his team and they were right. Apart from helping to plan the time schedule the team at the Nokia store came up with the idea to give gifts to people for doing the survey, this approach to convince consumers to participate was very helpful due to the fact that more than fifty percent of the respondents agreed to do the survey after the gift was offered to them.

During the whole process of the current research project certain limitations have been faced and solved, availability of information is one of them; nonetheless there were two main limitations that affected the most the current research. The first limitation was money, the lack of funds restrained the assets that could have been available as well as the reach of the project; for

example originally it was planned that the research would encapsulate three companies Nokia, Marimekko and Valio, this meant more capacity from the software to collect the surveys as well as more time open on line. Since the software is paid by amount of answers and time the costs of using the software would double. Also access to certain databases and publications with the newest research and information had costs; therefore some of the documents quoted are not as new as they could have been.

Finally the biggest limitation for this research was time; the time available to prepare and do the current research was four months. This period of time had to be used to plan the research project, collect information and data, prepare the tools needed for the research, collect the data, analyze the data and deliver the final report. The original research plan was to use Nokia, Marimekko and Valio which meant that the time designated to collect data would need to be increased by six weeks, three per extra company to plan the tool, meet with the companies and collect data at the points of sale, for Marimekko at their flagship store in Esplanadi and for Valio at supermarkets. Another area in which the limitation of time had a big impact was in the use of the platform that would collect the surveys, the service is paid by month, amount of questions and amount of answers collected by the survey, the more you need and use the more it costs. To add two more companies to the project would result in two more months of paid services.

In conclusion, even though these two limitations of time and money had a direct effect in the extent and range of the project they did not have an effect on the quality of the results obtained. The data collected in the surveys done at the Nokia Flagship store and through the surveys sent by mail to the general public collected the expected amount and gave reliable and quantifiable results, which gives validity to the current research.

7. Findings

7.1 NOKIA Flagship store

Originally it was planned that the survey which was going to be used to collect data in the NOKIA Flagship store would be all in English, later it was decided with Pia Tanskanen Senior Manager of Marketing and Environmental Issues of Nokia to have two versions of the survey one in English and one in Finnish for customers that would not feel too comfortable with English. To have these two versions of the survey had an unexpected result, which was that there were two separate groups of consumers surveyed within the store with two different points of view towards the brand and CSR, which could be compared. The results turned out to be interesting and with different points of view that would have been lost if the survey had been done only in one group.

The Finnish (Group F) group was composed mainly by people between the ages of 22 to 30 and 31 to 45 years old out of which 69% were male and 31% were female. The other group, the English speaking group (Group E) was also composed mainly by people between the ages of 22 to 30 years of age and 31 to 45 years, out of which 76% were male and approximately 24% were female. In addition, this group had people from different nationalities such as Germans, Spanish, New Zealanders, Mexicans, British, Brazilians, Indians, Colombians, Swiss, Swedish-Finnish as well as Finns.

In both Groups F and E when asked if they considered themselves as persons that care about the environment the majority answered yes; however, surprisingly around 20% of the respondents stated that they do not care about their environment.

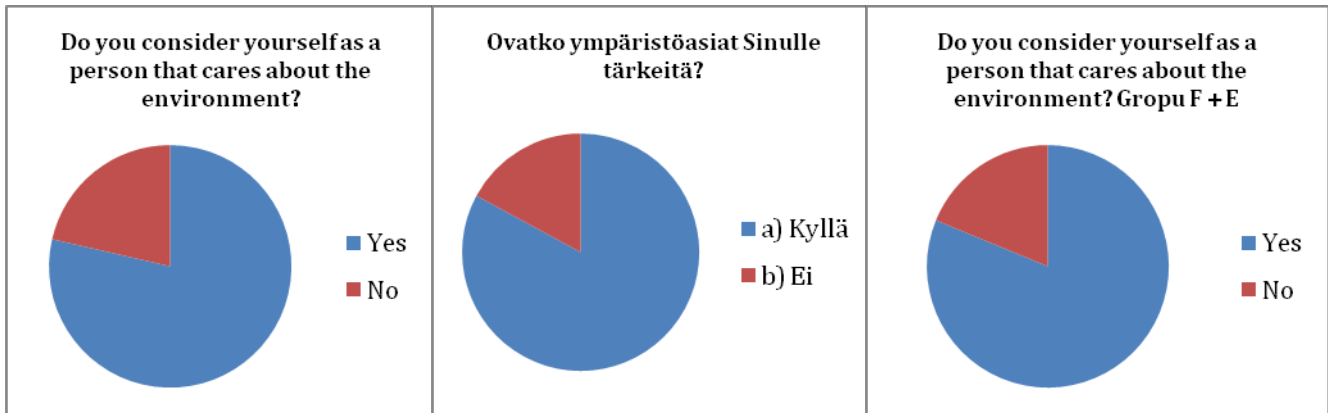


Figure 8: Results from the survey at the NOKIA store; Consumer environmental care.

In the following questions from the survey, people were asked if they knew any companies that were involved in environmental and social issues in Finland, the majority of people were able to answer at least one company; on the contrary when asked what were the issues most of the respondents did not know or were not able to specify what those issues were. Answers like something with recycling cell phones or green energy were very common. Regarding consumers and CSR reports when asked if they had ever read a CSR report the average between Groups F and E was 67% of respondents had not read the reports, interestingly the percentage difference between group F and E was almost twelve percent; 72.5% of respondents in group F had not read a report and only 60.5% in group E. One of the most interesting findings from the viewpoint of the current research came from the following question in the survey, which asked the people being surveyed if they knew where to access or find CSR information. Every single respondent knew where to go and through what media; this means that consumers are not pro-active in the search of information regarding environmental and social issues. This assumption was later confirmed by another question that asked consumers if the Internet was the place where they would look for information.

Regarding media and communication of CSR, the survey had the objective of finding out which was the most effective media and place to put CSR related information that would have an effect on consumers in their decision making process when buying a product.

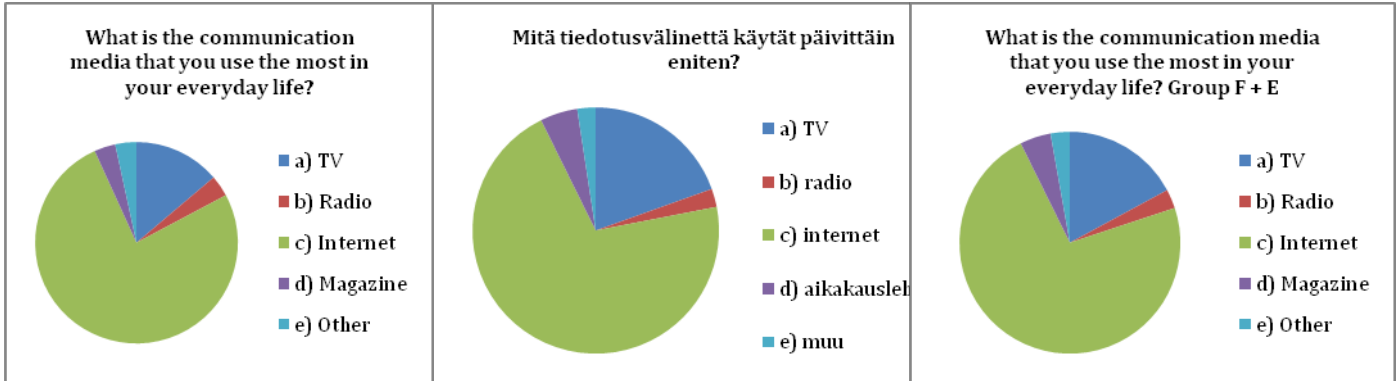


Figure 9: Results from the survey at the NOKIA store; Communication media used the most.

Once again the Internet turned out to be the most used media of communication and further questions confirmed that it is also the most frequent media which is used several times a day; however it is also the least efficient media to communicate CSR related information, the survey shows that the Internet is not used to look for specific CSR information. On average respondents from group F and E use the Internet 42% of the time for social networking and on 31.9% for general surfing with no specific purpose. It can be assumed that outside of work the Internet is a media used for entertainment and leisure and it is not commonly used to look for specific information like CSR data about specific products.

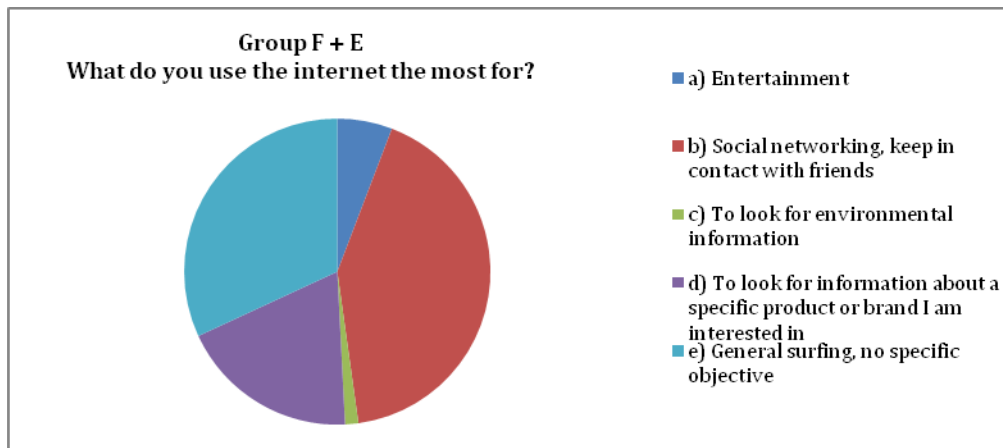


Figure 10: Results from the survey at the NOKIA store; Use of the Internet.

However TV was the second most used media and in many cases respondents mentioned that they use the Internet several times a day but the TV is also used every day. Also, on average in Groups F and E 85% of the consumers responded in the survey that they think that it is easier for them to get, understand and remember environmental and sustainable information regarding products through conventional marketing campaigns in TV, radio or printed media and in contrast only 5.8% of respondents said that promotion in point of sale would help them. In relation to CSR reports only 8.7% stated that this was the most efficient way to get people to know, understand and remember CSR data regarding companies and their products. However there is a big difference between Group F and Group E, in Group F 92.5% answered that conventional marketing and TV were the best media and 0% replied that promotion in point of sale would be effective, and in Group E 75.9% stated that conventional marketing and TV was the right media and 13.8% answered that promotion in point of sale would also be better than CSR reports.

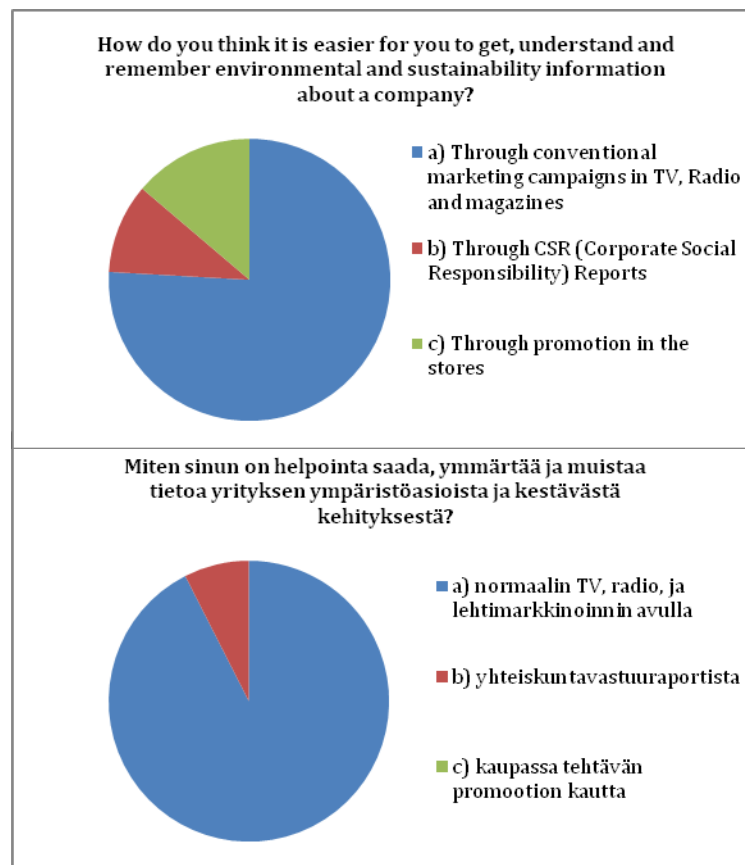


Figure 11: Results from the survey at the NOKIA store; Efficiency of communication channels to communicate CSR.

Apart from which media would be more effective to deliver CSR information to consumers, the survey also focused in finding out which was the information regarding a product consumers remember the most; as well as what was the information concerning a product which was the most important and useful for them to decide which product and brand to buy. The answers obtained from the survey show that on average, Groups F and E think that text written down in a technical way, the slogan and product name are the two pieces of information about a product that they remembered the most with 40% each and pictures and packaging were the elements that they remembered the least. However there is a big difference in the answers between Group F and E; Group F follows the trend of the average of Group F + E, but in Group E 41.1% answered that what they remembered the most was the packaging and images of the product.

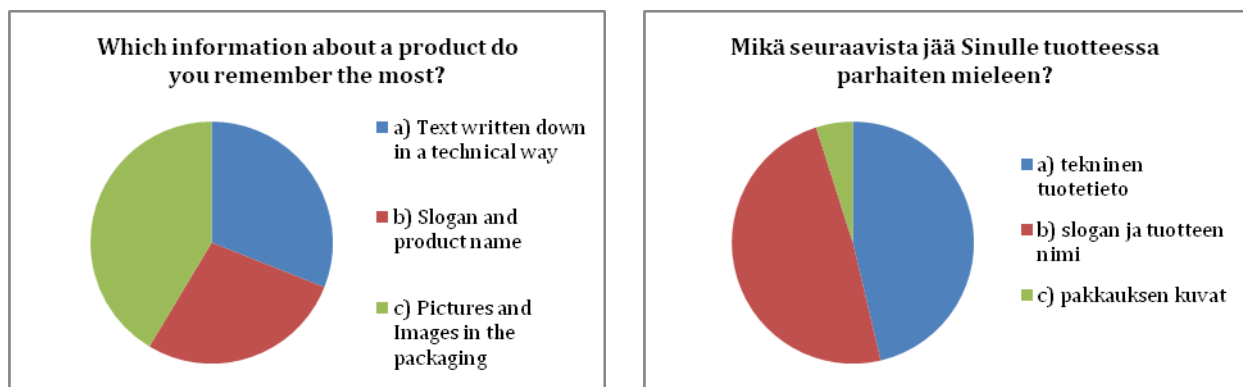


Figure 12: Results from the survey at the NOKIA store; Information that consumers remember the most.

When consumers were asked how would they use CSR information to buy a product, in general most of the respondents of the survey replied that CSR information could be used to compare between options, as background information to know how the product was produced and to weight the difference of the environmental impact between two similar products to make an informed decision on what product to buy. The interesting issue was that when consumers were asked what kind of information they looked for when they were going to buy a product none of them answered environmental information. 52% of the respondents from Groups F and E answered that technical data was the information that they looked and used the most to make a decision on what product to buy and then 30% answered that price was the information that they looked and used the most; finally 10% answered other in which they specified to use a mixture of technical data, price and opinions from others.

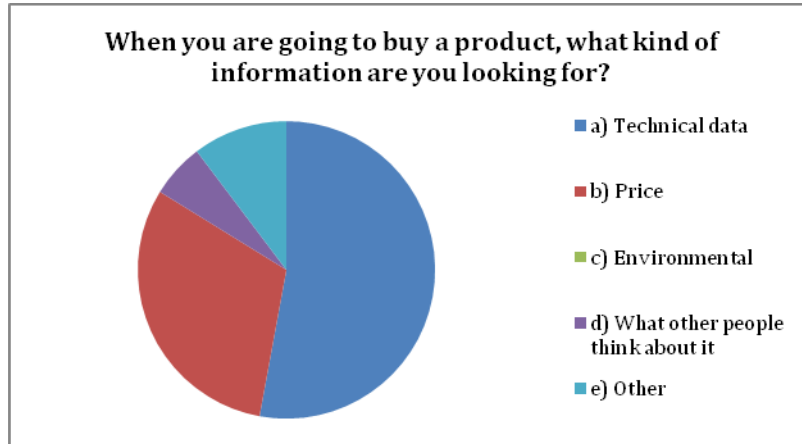


Figure 13: Results from the survey at the NOKIA store; Type of information consumers look for.

The final part of the survey focused in the willingness of consumers to change brands in similar products. To begin, it was necessary to know how important was CSR information to consumers and what weight do they give to CSR data in the decision making process of buying a product. The answers from Groups F and E were so different that to use an average of both would only mask the truth. In group F 17% of respondents answered that CSR information was very important, 36% consider it important and 41.5% consider CSR information to be nice to know but something that does not really make a difference, finally 5% do not consider CSR information important at all. In contrast in Group E 20.7% consider CSR information to be very important when making the decision to buy or not a product from a company; 55% consider the information to be important and 24% as something that is nice to know but that does not make a difference, and there is not a single respondent that does not consider CSR information important.

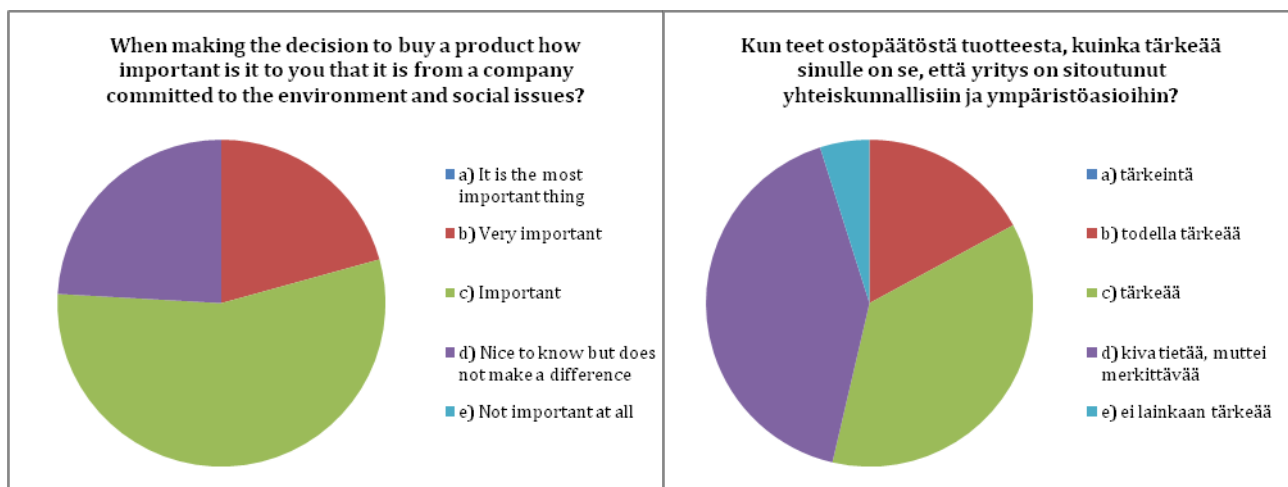


Figure 14: Results from the survey at the NOKIA store; Importance of company commitment to CSR.

Consequently the average of Groups F + E show that 82% of the consumers interviewed have not read a CSR report. For that reason, it can be assumed that the data and information regarding the environmental activities and sustainable practices of a company has never affected people in their decision to buy or not to buy a product or to change from one brand to another. The information gather by the survey confirmed the previous assumption by showing that 63% of the respondents have never been influenced by the information contained in a CSR report to change one product for another or not to buy a product.

Another element thought to affect this low level of interest for the information contained in the CSR reports was the way in which information is communicated to consumers. When asked, what was the best way for a company to let consumers know what the company is doing for the environment and responsible practices; the average of the answers from Group F + E showed that 49% of the respondents think that using specific examples of what the company is doing and how it affects their community is the best way to communicate CSR and sustainable practices, this will allow consumers to get interested and understand the information. Secondly, 39% of respondents answered that using general examples of the practices the company is doing for the environment would be a good way. Finally only 10% of the people that answered the survey stated that using numerical data and financial statements was the best way to communicate CSR information to consumers.

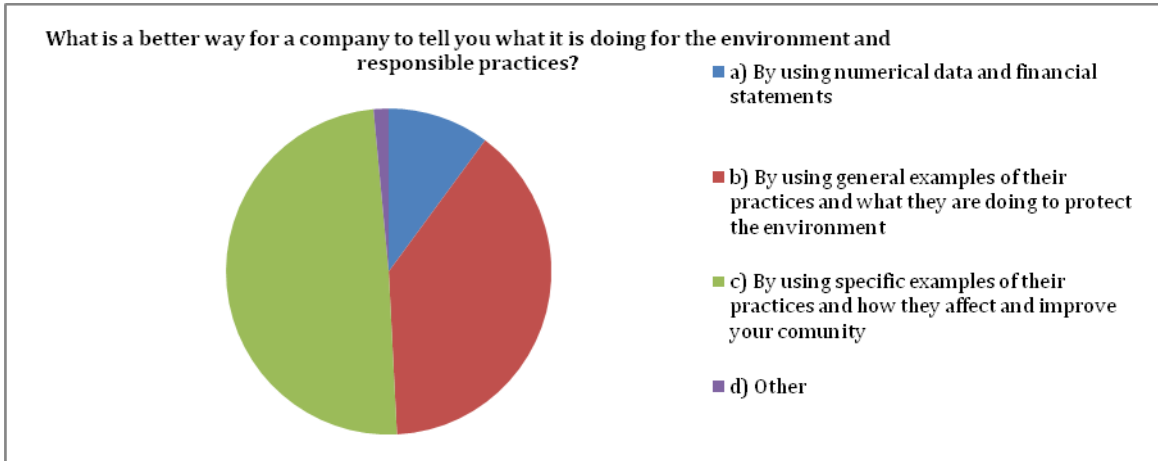


Figure 15: Results from the survey at the NOKIA store; Best way to communicate CSR information to consumers.

The final two questions of the survey were directly linked with the willingness of consumers to change from one brand to another if they were able to identify that the products were produced in a sustainable and environmental process. Both, Group F and E answered on average that 88% of them were willing to change brand; and 84% of the people surveyed also stated that if they see two products that do the same thing, from brands that they recognize that they would buy the product in which they can easily identify that it was made in a sustainable and environmental way.

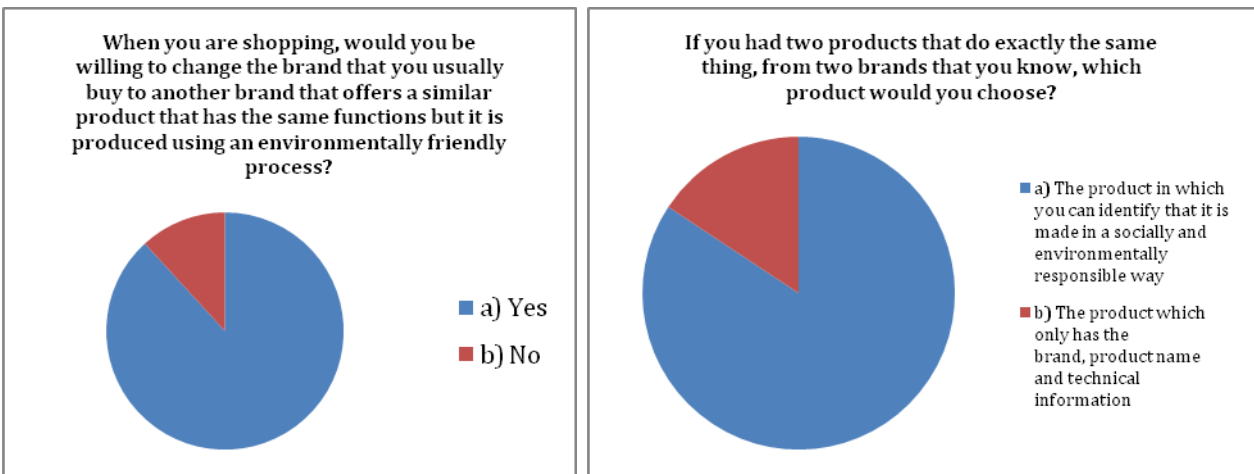


Figure 16: Results from the survey at the NOKIA store; Willingness to change brand.

7.2 General Market

The survey that was sent by mail was intended to serve as a sample of the Finnish market in general that would later be compared with the results from the Nokia flagship store. Originally it was projected that the size of the sample would be a hundred surveys, after two weeks ninety-seven surveys were collected. Random consumers that received and answered the survey by mail composed the sample group. The survey that was sent by mail was sent to contacts persons from different companies or organizations such as Helsinki School of Economics, IDBM Clubi from HSE, Wulff, Valio, European School of Helsinki and Clear channel among others as well as friends who then resend the survey to their own colleagues and friends.

Ninety-seven respondents composed the group that received the survey by mail, which will be referred as Group M. In Group M 41% of the respondents were male and 59% were female. 69% of the people were between the ages of 22 to 30 years of age, 17.5% were between the ages of 31 to 45 years of age and 13.5% were more than 46 years old. People from different nationalities also composed group M; the majority of the respondents were Finnish, but there were also Germans, Chinese, Koreans, British, French, Americans, Nepalese, Belgian and Swedish.

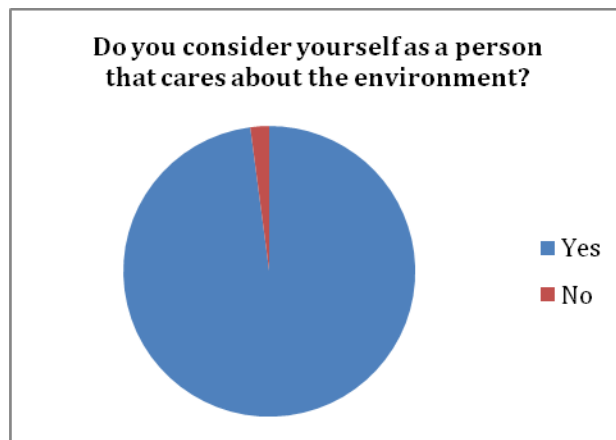


Figure 17: Results from the survey sent by mail; Consumer Environmental Care.

Almost everyone from Group M responded that they consider themselves as persons that care about the environment with the exception of two persons that answered that they do not care about the environment. Again when people were asked if they were able to mention three

companies in Finland that were involved in environmental and social issues almost everyone was able to mention at least one company and half were able to mention three companies; which if compared to the results from the Nokia flagship store where most of the respondents were able to mention only one company, it can be assumed that in general people in Finland are aware of what companies are doing regarding the environment. However it should also be noticed that mainly male respondents composed the sample from the Nokia flagship store and the majority of the respondents of the survey sent by mail were female. This could mean that women are more aware and susceptible to environmental issues than man and that different communication and marketing strategies should be created to reach men and women. Another thing worth mentioning is that even when more than half of the respondents were able to mention three companies they always mentioned the same companies such as Kone, Nokia, Fortum and Neste Oil, all of which happen to be the biggest companies in Finland. Also, the majority of Group M was able to answer what were the issues in which the companies that were mentioned before were involved; however once again most of the answers were unspecific. For example; recycling, trying to make their offices greener, reduce water when cleaning, paper, controversial issues, reducing emissions, saving energy and better fuels.

In comparison with Groups F and E in which 67% had not read a CSR report, in Group M 49% had actually read CSR reports and 51% had not. The difference between the groups is 16%. It could be argued that this difference could also be representative of the fact that Group M had a bigger percentage of people over the age of thirty and older age groups happen to be more aware of their environment as well as have higher positions at work therefore chances of them reading CSR reports are higher. Interestingly one trend that was shown in Groups E and F also showed in Group M, when they were asked if they knew where to look for a CSR report; most respondents from Group M 84.5% answered company web site, Internet or Annual Report. This means that the assumption that consumers are not pro-active in their search for information on environmental and social issues is accurate. In contrast with Groups F and E in Group M 15.5% of respondents did not know where to access the information.

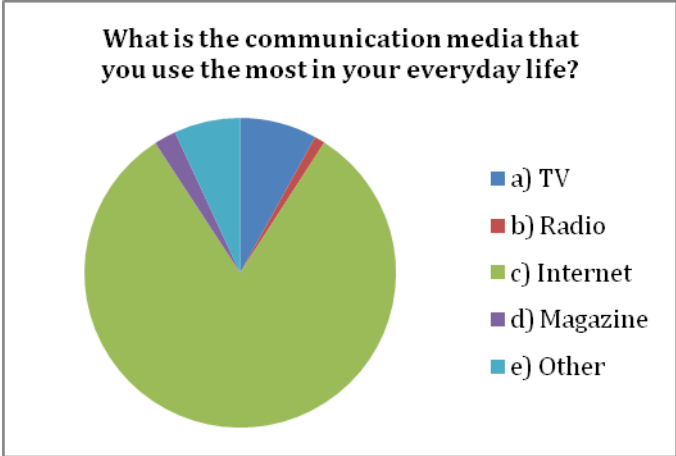
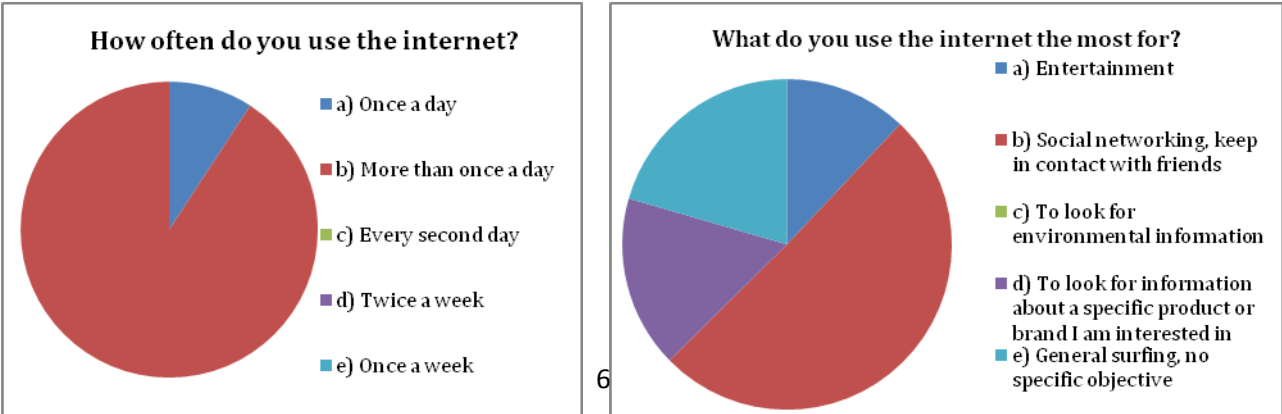


Figure 18: Results from the survey sent by mail; Communication media used the most.

As for media and communications the survey showed that Group M just like Groups E and F used the Internet as their main communication media as well as the most frequent media; on average 90% of respondents from Group M use the Internet several times a day. Also, the assumption made with the information obtained from Groups F and E, which was that the Internet is not the most efficient media to communicate CSR related information, was confirmed by the information obtained from Group M. In Group M 50% of respondents use the Internet for social networking and keep in contact with friends when they are not at work and 20% use the Internet for general surfing with no specific purpose and 0% use the Internet to look for environmental information. Therefore it can be stated that people use the Internet mostly as a media of entertainment and leisure outside work; it is not generally used to look for specific environmental information about companies and their products, the Internet is not an efficient communication channel for CSR information.

Figure 19: Results from the survey sent by mail; Internet and consumers.



Also in Group M the TV was the second most used communication media and it is also used everyday but not as much as the Internet. 65.5% of the respondents stated that TV and normal marketing campaigns are the most efficient ways for them to get, understand and remember sustainable and environmental information. This means that once again TV and conventional marketing is more effective than the Internet; regarding promotion in point of sale in Group M 24.1% of respondents answered that it was the best way to deliver information regarding CSR activities, in comparison with Groups E and F the percentage of people that thinks that promotion in point of sale is useful, is more than double and just like in Groups F and E; in Group M CSR reports were graded as the least efficient way to communicate information regarding social and environmental activities to consumers.

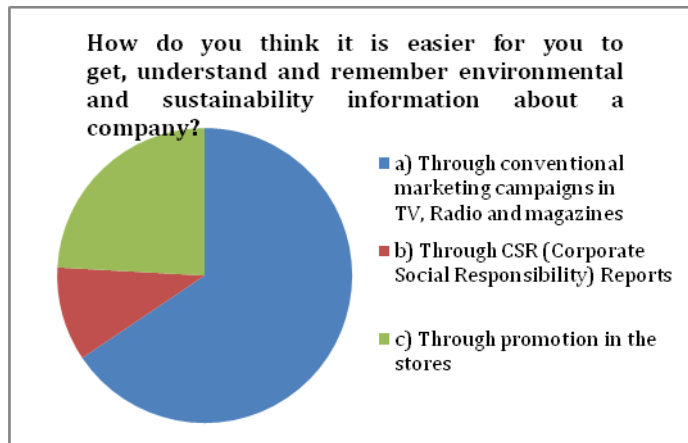


Figure 20: Results from the survey sent by mail; Possible CSR communication Channels.

As for what was the information regarding a product consumer remembered the most and what was the information concerning a product, which was the most important and useful for them to decide which product to buy. The answers obtained from Group M show the opposite from groups E and F. 51.1% of consumers think that pictures and images in packaging are the information that they remembered the most about a product followed by the slogan and product name with 42% and text written down in a technical way was the information that respondents of Group M remembered the least with only 6.8%. This results match with the result obtained only from Group E.

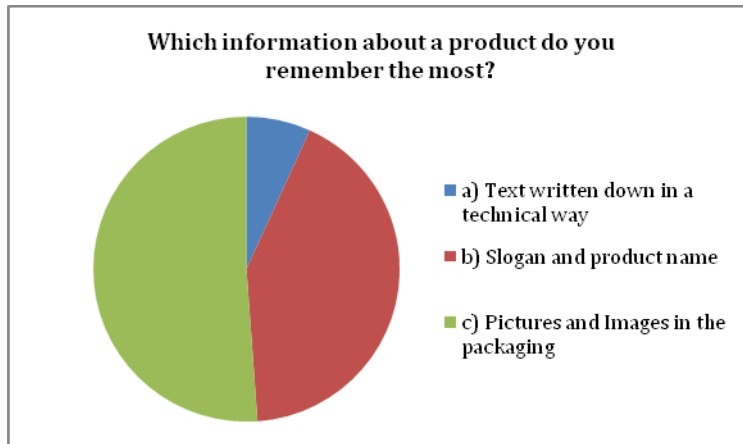


Figure 21: Results from the survey sent by e-mail; Information consumers remember the most.

The following questions, where consumers were asked how they use CSR information to buy a product; a wide variety of answers were given. In general most consumers would use the information to select which brand to buy depending on how positive was the impression that they got of the product. Also, the effect that the production of the product has on the environment, how are raw materials processed as well as how are they recycled and to see if sustainable products also give more value to the money spent on them.

However just like in groups E and F in Group M when consumers were asked what was the information that they looked for when they were going to buy a product? Environmental information was the least used and looked for with only 8%. On the other hand 30.5% of the people surveyed answered that price was the information that they looked and used the most; followed by technical data with 25.6% and what other people think with 22%. However a very interesting issue came up in this question; The sum of people that only answered other plus the respondents that selected one of the given options and specified another option gives an average of 13.9%, therefore it can be assumed that it is a combination of the different information given in every product that consumers use to select what product to buy. For example price, technical data and what other people think; out of that combination CSR information can be added in the technical data, marketed as added value for the same price and affect the perception and opinion that people have of the product.



Figure 22: Results from the survey sent by mail; Information consumers look for.

In the last questions of the survey the objective was to find out the willingness of consumers to change brands from a non-social, non-environmental brand to one that is environmentally and socially responsible. The first step was to define how important is CSR information to consumers; and what weight do they give to CSR in the decision making process when buying a product. We already know from previous questions in the survey that in general CSR information is not the first think consumers look for when buying a product; Question 19 focused specifically in finding out how important is CSR information for consumers. Like in Group F, in Group M the highest amount of respondents, 46.9% stated that CSR information is important. Opposite to groups F and E in Group M 26.7% of people thought that CSR information is nice to know but does not make a difference and 23% thought it was very important. Out of the combined results from Groups F, E and M it can be assumed that for the Finnish market CSR information is something important and nice to know, but that at the moment it is not a factor that on its own will have the power to change the decision of buying or not buying a product.

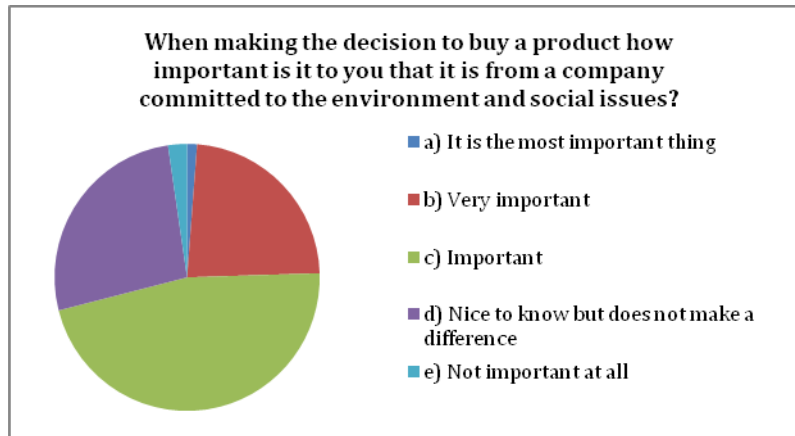


Figure 23: Results from the survey sent by mail; Importance of company commitment to CSR.

Out of the results obtained from Groups E and F it was assumed that the data and information contained in CSR reports, regarding environmental activities and sustainable practices of a company, does not have a direct effect on the decision of consumers to buy or not to buy a specific product. The information collected from Group M confirms that assumption; By showing that 73.2% of the respondents have never read a CSR report with the objective of deciding whether to buy or not to buy a product based on the information contained in a CSR report. Another element thought to influence the little interest from consumers to read CSR reports was the way in which the information is communicated, only 3.4% of the respondents answered that numerical data and financial statements were the best way to let them know what a company is doing regarding environmental and sustainable issues. And following the tendency shown in the answers obtained from Groups F and E in Group M 58.6% of the respondents affirmed that using specific examples of the company's practices and how they affect and improve their community was the best way to let them know. And 32.2% of the people surveyed answered that general examples of the company's practices and what they were doing to protect the environment was enough.

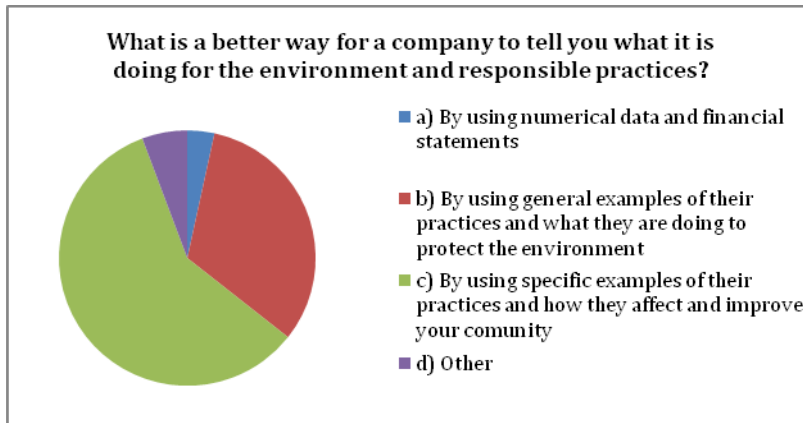


Figure 24: Results from the survey sent by mail; Best way to communicate CSR information to consumers.

In the last two questions of the survey, which were designed with the intention of linking the readiness of consumers to change from one brand to another; in which they could easily identify that the products were produced in a sustainable and environmental process, 100% of the respondents from Group M said that they were willing to change. And 91.9% stated that they would change the brand if they were able to recognize that the product was produced in a socially and environmentally responsible way.

8. Conclusion

8.1 Three main questions

The current research got started with the objective of finding out if consumers actually know what social and environmental activities companies are involved in, and if they do perform consumption decisions based on the information given by the company in their CSR and sustainability reports. In order to be able to answer this inquiry, three research questions were identified and from these questions a survey was designed. The survey served as an exploratory tool. After the application of the survey and the analysis of the information collected, conclusions for each one of the three research questions were reached.

Question one; how can CSR be communicated in a way in which consumers can understand and use its information to buy a product? The information collected by the surveys showed that consumers do not think that using numerical data and financial statements is the best way for a company to communicate to them what the company is doing. In fact consumers want to know specifically what a company is doing to protect the environment, and how it affects their environment. Also the majority of consumers do not read CSR reports, do not look for them, or look for the information contained in the reports through the Internet. In general consumers affirmed that conventional marketing in TV, radio, printed media and promotions in point of sale were the best way in which a company could let them know what it is doing regarding environmental issues and sustainable practices, and how it was reflected in their products.

In addition to the previously mentioned, consumers also stated that looking for environmental information was not on the top of their list when they were going to decide what product to buy. Also that the best way in which they could use CSR information was to compare between products. In the case of NOKIA, consumers answered that having the CSR information with the technical data would be the most useful way in which they could compare one product with another one. Another use was to identify the added value of buying a phone made in a sustainable way over another that was not. For the general market pictures and images that would identify the product as sustainable or ecological, and the brand as environmentally aware would be the best way in which consumers could use the information to decide what brand and product to buy.

Question two; how do customers use the Internet to filter, make sense and share the information they get about any given company regarding CSR? The answer is that they do not. It is true; the Internet is the most used communication media in the everyday life outside from work. However even when people log on more than once a day in their free time, the answers collected by the survey show that people use the Internet mostly as a media of entertainment and leisure. Outside from work, the Internet is not generally used to look for specific environmental information about companies and their products, therefore it can be inferred that the Internet is not an efficient communication channel for CSR information.

Even though consumers in general know that if they wanted to look for CSR information that they would find it online or at the companies web site, consumers just do not use their free time to look for information regarding a companies CSR activities, environmental practices or sustainable issues.

Question three; do CSR and sustainability reports have a direct effect on the decision of a consumer to buy or not to buy a product? No; as the results from the survey show, more than half of the consumers have never read a CSR report in their life, also the majority of the consumers that have read a report; as well as the ones that have not read a report would not go online to look and check the information in CSR reports. Neither have they ever used or searched the information contained in a CSR report to decide what product or brand to buy or not to buy. Consequently in the majority of cases, the information contained in a CSR report has not influenced a consumer to buy, not to buy or to change one product for another.

To finalize the current research project the following conclusion has been made; the findings of this study suggest that consumers in Finland care about the environment; but they are not proactive in their search for information regarding environmental, sustainable and ecological issues, activities and processes taken by companies. The Internet is not the most efficient communication channel to let consumers know what companies are doing regarding CSR activities and sustainable practices. However according to the results obtained in this research people are willing to change and buy products that have recycled materials and have been produced in a sustainable and environmentally friendly process.

Therefore, it is recommended that companies should take the initiative through marketing campaigns in TV, radio, printed media and in point of sale; supported by packaging to identify their products. The previously mentioned with the objective of telling consumers with specific and local examples how their CSR activities, and sustainable practices affect their environment and well being is thought to be a more efficient communication strategy than the one that is being used now. According to the data obtained from the survey it is also recommended to create a communication and marketing strategy that takes into account both; the different needs of men and woman. It seems that women are more aware and susceptible to different environmental

issues than man; and they also have different information requirements. Adopting these practices would improve organizational image, consumer loyalty and sales, which at the end should also be reflected in company revenue.

The topic of the present thesis was challenging because the lack of previous research in the field of Corporate Social Responsibility and Consumers. Many different stakeholders have been previously addressed thoroughly by different researchers but it seems that consumers have not been a focus point so far. For this reason it was difficult to find specific studies to which the current research could be linked too.

It should also be consider that due to the qualitative nature of the study which was an exploratory survey; the results obtained should be considered as suggestions drawn from the views of consumers regarding different companies CSR practices and reports. Also it is worth mentioning that generalizations of the conclusions should be made with care because of the relatively small size of the sample which was of 173 surveys.

Finally, it is also recommended that further research study is needed on the topics of adaptation of the CSR message to the specific needs of consumers, pricing, communicating CSR at the point of sale and most importantly consumer engagement from a CSR point of view.

9. References

- Balmer, J. M. T. (2001). Corporate identity, corporate branding and corporate marketing – seeing through the fog. *European Journal of Marketing*. Vol. 35 Nos 3 & 4, 248 – 91.
- Balmer, J.M.T. (2001). Corporate identity and the advent of corporate marketing, *Journal of Marketing Management*, Vol. 14, No. 8, pp. 993 – 96.
- Bernstein, D. (1984). *Company image and reality*. Eastbourn: Reinhart and Winston,.
- Bench-marks (2009). Principles for global corporate responsibility. Retrieved August 14, 2009, from GCR bench-marks web site <http://www.bench-marks.org/glossary.shtml>
- Blackwell R. D., Miniard P. W, Engel J. F. (2006). *Consumer Behavior*. 10th Edition. Thomson South-Western.
- Burke L. & Logsdon J. M. (1996). How corporate social responsibility pays off. *Long Range Planning*, Vol. 29 No. 4, pp. 495-502.
- Crane, A. & Matten D. (2004). *Business Ethics: A European perspective*. New York: Oxford University Press.
- Carbon Footprint Ltd (2009). What is a carbon footprint? Retrieved August 11, 2009, from Carbon Footprint web site <http://www.carbonfootprint.com/carbonfootprint.html>
- Carroll, A. B. (1979). A three dimensional conceptual model of corporate performance. *Academy of Management Review*, Vol. 4 No. 4, pp. 497–505.
- Cassidy, J. (2002). *dot.con: The greatest story ever sold*. New York: HarperCollins.
- Corporate Governance (2009). Corporate governance defined. Retrieved August 11, 2009, from Corporate governance web site <http://corpgov.net/library/definitions.html>
- Cornelissen, J. (2004). *Corporate communications, theory and practice*. London: Sage
- Courtis, J. K. (1986). An investigation into annual report readability and corporate riskreturn-relationships. *Accounting and Business Research*, Vol. 16, pp. 285-294.
- Creyer, E.H. & Ross W.T. (1997). The influence of firm behavior on purchase intention: do consumers really care about business ethics? *Journal of Consumer Marketing*, Vol. 14, No. 6, pp. 421–32.
- Dawkins, J. (2004). Corporate responsibility: The communication challenge. *Journal of Communication Management*. Vol. 9, No. 2, pp. 108 – 119.

- Duncan, T. & Moriarty, S. (1997). *Driving brand value: Using integrated marketing to manage profitable stakeholder relationship*. New York: McGraw-Hill.
- Fairbrass, J. (2006). *UK businesses and CSR policy: Shaping the debate in the EU*. School of Management, University of Bradford.
- Fairclough, N. (1995), *Critical discourse analysis*. London: Longman.
- Feldman, L.P. (1971). Societal adaptation: a new challenge for marketing. *Journal of Marketing*, Vol. 35, No. 3, pp. 54 – 60.
- Fill, C. (1995). *Marketing communications: Frameworks, theories and applications*. Hemel Hempstead: Prentice Hall.
- Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Massachusetts: Pitman publishing Inc.
- Fomburn C. (1996). *Reputation: Realizing value from the corporate image*. Harvard Business School Press.
- Global Reporting Initiative (2009). What is sustainability reporting? Retrieved August 14, 2009, from global reporting initiative FAQ's website <http://www.globalreporting.org/AboutGRI/FAQs/FAQSustainabilityReporting.htm>
- Grunig J. E. & Repper F. C. (1992). *Strategic management, publics and issues*. Hillsdale, NJ: Lawrence Erlbaum.
- International Chamber of Commerce (2009). Businesses in society. Retrieved August 11, 2009, from International Chamber of Commerce official web site <http://www.iccwbo.org/>
- Herman, A.F. (2007). *Stockholders in Cyberspace: Weick's Sensemaking Online.*, *Journal of Business Communication* pp. 44; 13
- Hill & Knowlton. (1984). *The annual report: A question of credibility*. New York.
- Hooghiemstra, R. (2000). Corporate communication and impression management—New perspectives why companies engage in corporate social reporting. *Journal of Business Ethics*, Vol. 27, pp. 55-68.
- Jameson, D. A. (2000). Telling the investment story: A narrative analysis of shareholder reports. *Journal of Business Communication*, 37, 7–38.
- Kotler P. & Lee N. (2004). *Corporate Social Responsibility: Doing the most good for your company and your cause*. Wiley, John & Sons.

- Kotler, P. & Levy, S.J. (1969). Broadening the concept of marketing, *Journal of Marketing*. Vol. 33, No. 1, pp. 10 – 15.
- KPMG (2008). *Count me in, The readers take on sustainability reporting*. Nederland.
- Laczniak, G. R. and Inderrieden, E. J. (1987). The influence of stated organizational concern upon ethical decision making, *Journal of Business Ethics*. Vol. 6, pp. 297–307.
- Lazer, W. (1969). Marketing's changing social relationships. *Journal of Marketing*, Vol. 33, No. 1, pp. 3–9.
- Lindlof, T. R., & Taylor, B. C. (2002). *Qualitative communication research methods* (2nd ed.). Thousand Oaks, CA: Sage.
- Maignan, I., Ferrell O.C. and Farrell L. (2005). A stakeholder model for implementing social responsibility in marketing. *European Journal of Marketing*, Vol. 39, Nos. 9 & 10, pp. 956–77.
- Market & Opinion Research International (2000) (MORI). *The first ever European survey of consumers attitudes towards corporate social responsibility*. CSR Europe. www.csreurope.org/publications/europeansurvey
- Marimekko. (2009). Retrieved August 11th, 2009, from Marimekko global web site: <http://www.marimekko.com/ENG/marimekkocorporation/socialresponsibility/frontpage.htm>
- Murray K. B. & Vogel C. M. (1997). Using a hierarchy-of effects approach to Gauge the effectiveness of Corporate Social Responsibility to generate goodwill towards the firm: Financial versus non-financial impacts. *Journal of Business Research*, Vol. 38, pp. 141-159.
- Nielsen A. E. and Thomsen C. (2007). Reporting CSR – what and how to say it? *Corporate Communications*, Vol. 12, Iss. 1, pp. 25.
- NOKIA. (2008). Retrieved February 13th, 2008 from Nokia web site: <http://www.nokia.com/A4359257>
- O'Riordan L. & Fairbrass J. (2008). Corporate social responsibility (CSR): Models and theories in stakeholder dialogue. *Journal of Business Ethics*, Vol 83, pp. 745–758.
- Podnar K. & Golob U. (2007). CSR expectations: The focus of corporate marketing. *Corporate communications: An international journal*, Vol. 12 No. 4, pp. 326–340.
- Pohle G. (2008). IBM Study on Corporate Social Responsibility. Retrieved February 12, 2009, from Youtube web site <http://www.youtube.com/watch?v=PdkYieDuVvY>

Rogers, E. & Kostigen, T.S. (2007). *The Green Book: The Everyday Guide to Saving the Planet One Simple Step at a Time*. Crown publishing group.

STORA ENSO. Retrieved February 13th, 2008 from Stora Enso web site:
<http://www.storaenso.com/CDAvgn/showDocument/0103100.pdf>

Sweeney, D.J. (1972). Marketing: management technology or social process? *Journal of Marketing*, Vol. 36, No. 4, pp. 3 – 10.

The Business Dictionary (2009). *Definition of stakeholder*. Retrieved August 14, 2009, from The business directory web site
<http://www.businessdictionary.com/definition/stakeholder.html>

Thompson, C. (1995). *A contextual proposal for the conceptualization and study of marketing ethics*. *Journal of Public Policy and Marketing*, Vol. 11, pp. 177–191.

Thyssen, O. (2004). *Vaerdiledelse: om organisationer og etik*, Gyldendale, Copenhagen.

Van Raaij, F. W. (1991). *The formation and use of expectations in consumer decision making*, In Robertson, T. & Kassarian, H. *Handbook of consumer behaviour*, Engelwood Cliffs, NJ: Prentice Hall.

Vejlgaard, H. (2007). *Anatomy of a Trend*. McGraw-Hill.

Weick, K. E. (1995). *Sensemaking in organizations*. Thousand Oaks, CA: Sage.

YIT GROUP. Retrieved February 13th, 2008 from YIT web site:
http://www.yitgroup.com/services/company/in_brief/responsibility

10. Appendix

10.1 Glossary

CSR Reports

It is an annual practice in which organizations publicly report about their values and commitment to all their stakeholders that can be customers, employees, surrounding communities and its environment at a local level as well as global. CSR is reflected in the way a company does business. It is materialized by the decision making process in which any given company decides to get involved in a variety of activities that range from Human Right protection to economical support for a variety of charities, environmental protection, and production practices and

recycling activities. All of which is fueled with the objective of establishing long term relations with their stakeholders and their communities.

Sustainability Reports

It is the process of public disclosure of an organization's economic, environmental, and social performance. Many organizations find that financial reporting alone no longer satisfies the needs of shareholders, customers, communities, and other stakeholders for information about overall organizational performance. The term "sustainability reporting" is synonymous with citizenship reporting, social reporting, triple-bottom line reporting and other terms that encompass the economic, environmental, and social aspects of an organization's performance.

Consumer

Consumers: It is the individual that purchases goods or services in retail on daily bases; the consumer can also be the end user which may not necessarily be the purchaser of the good or service.

Stakeholder

A stakeholder is a person, a group of people, or an organization that has a direct or an indirect interest in an organization because it can affect or be affected by the organization's actions, objectives, and policies. There are several stakeholders in a business; key stakeholders can be consumers, management, owners (shareholders), unions, and the community from which the business draws its resources. Other organizations that can be considered are NGOs, mass media, specialized media and investor advisors as secondary stake holders because they are not affected directly, but they do have an indirect interest in the organization.

Going green

To pursue knowledge and practices that can lead to more environmentally friendly and ecologically responsible decisions and lifestyles, which can help protect the environment and sustain its natural resources for current and future generations.

Carbon footprint

It is the measure of the impact our activities have on the environment, and in particular climate change. It relates to the amount of greenhouse gases produced in our day-to-day lives through burning fossil fuels for electricity, heating and transportation etc. The carbon footprint is a measurement of all greenhouse gases we individually produce and has units of tonnes (or kg) of carbon dioxide equivalent.

Corporate Governance

The definition of the term that I will use was generated by the International Chamber of Commerce. It explains that corporate governance is the relationship between corporate managers, directors and the providers of equity, people and institutions who save and invest their capital to earn a return. It ensures that the board of directors is accountable for the pursuit of corporate objectives and that the corporation itself will properly follow the law and all of its regulations.

10.2 Survey Questions

Set one, introduction questions

- 1.- Do you consider yourself as a person that cares about the environment?
- 2.- Can you name three companies that are involved in environmental and social issues in Finland?
- 3.- Can you mention what these companies are doing regarding these issues?
- 4.- Have you ever read a report on Corporate Social Responsibility?
- 5.- If you were looking for a CSR (Corporate Social Responsibility)report, where would you try to get it?

Set two, questions to answer Q1. How can CSR be communicated in a way in which consumers can understand and use its information to buy a product?

- 1.-What is the communication media that you use the most in your everyday life?
 - a) TV
 - b) Radio
 - c) Internet

d) Magazine

e) Other

2.-Which information about a product do you remember the most?

a) Text written down in a technical way

b) Slogan and product name

c) Pictures and Images in the packaging

3.-How do you think it is easier for you to get, understand and remember environmental and sustainability information about a company?

a) Through conventional marketing campaigns in TV, Radio and Magazines?

b) Through CSR (Corporate Social Responsibility) Reports

c) Through promotion in stores

4.-How do you think that you could use environmental and sustainability information to buy a product?

5.-What is a better way for a company to tell you what it is doing for the environment and responsible practices?

a) By using numerical data and financial statements

b) By using general examples of their practices and what they are doing to protect the environment

c) By using specific examples of their practices and how they affect and improve your environment

Set three of questions to answer Q2. How do customers use the Internet to filter, make sense and share the information they get about any given company regarding CSR?

1.-How often do you use the Internet?

a) Once a day

b) More than once a day

c) Every second day

d) Twice a week

e) Once a week

2.-What do you use the Internet the most for?

a) Entertainment

- b) Social networking, keep in contact with friends
- c) To look for environmental information
- d) To look for information about a specific product or brand I am interested in
- e) General surfing, no specific objective

3.-If you are looking for information regarding a specific product, is the Internet the first place you look for it?

- a) Yes
- b) No

4.-When you are going to buy a product, what kind of information are you looking for?

- a) Technical data
- b) Price
- c) Environmental
- d) What other people think about it
- e) Other

5.-Do you go on-line to check the CSR (Corporate Social Responsibility) reports of companies?

- a) Yes
- b) No

Set four of questions to answer Q3. Do CSR and sustainability reports have a direct effect in the decision of a consumer to buy or not to buy a product?

1.-When making the decision to buy a product how important is it to you that it is from a company committed to the environment and social issues?

- a) It is the most important thing
- b) Very important
- c) Important
- d) Nice to know but does not make a difference
- e) Not important at all

2.-Have you ever read a CSR (Corporate Social Responsibility) report with the objective of deciding whether to buy or not to buy a product based on the information contained in it.

- a) Yes
- b) No

3.-When you are shopping, would you be willing to change the brand that you usually buy to another brand that offers a similar product that has the same functions but it is produced using an environmentally friendly process?

a) Yes

b) No

4.-Has the information contained in a CSR (Corporate Social Responsibility) report ever influenced you to buy or not to buy a product?

a) Yes

b) No

5.-If you had two products that do exactly the same thing, from two brands that you know, which product would you choose?

a) The product in which you can identify that it is made in a socially and environmentally responsible way or

b) The product which only has the brand, product name and technical information

The following question is the one that was added after reviewing the questioner with Pia Tanskanen Senior Manager of Marketing and Environmental Issues from Nokia, hoping that the survey could also produce information regarding what are the interests of the consumers on environmental features related to Nokia products.

6.-If you have any ideas, what would you like a company to do regarding environmental issues? And how do you expect the company to inform you what they are doing to help the environment?

Finnish translation of the research survey; Set one, introduction questions

1.-Ovatko ympäristöasiat Sinulle tärkeitä?

2.-Voitko nimetä kolme suomalaista yritystä, jotka yhdistät mielessäsi sosiaaliin ja ympäristökysymyksiin?

3.-Mitä nämä yritykset tekevät edellä mainittujen asioiden suhteen?

4.-Oletko koskaan lukenut yhteiskuntavastuuraporttia?

5.-Jos etsisit yrityksen yhteiskuntavastuuraporttia, mistä etsisit sitä?

Set two, questions to answer Q1. How can CSR be communicated in a way in which consumers can understand and use its information to buy a product?

1.-Mitä tiedotusvälinettä käytät päivittäin eniten?

- a) TV
- b) radio
- c) Internet
- d) aikakauslehdet
- e) muu

2.-Mikä seuraavista jää Sinulle tuotteessa parhaiten mieleen?

- a) tekninen tuotetieto
- b) slogan ja tuotteen nimi
- c) pakkauksen kuvat

3.-Miten sinun on helpointa saada, ymmärtää ja muistaa tietoa yrityksen ympäristöasioista ja kestävästä kehityksestä?

- a) normaalin TV, radio, ja lehtimarkkinoinnin avulla
- b) yhteiskuntavastuuraportista
- c) kaupassa tehtävän promootion kautta

4.-Olisiko tieto ympäristöön ja yhteiskuntavastuuseen liittyvistä asioista hyödyllinen ostopäätöstä tehdessäsi? Miten?

5.-Mikä on paras tapa yritykselle kertoa siitä, mitä se tekee ympäristöä ja vastuullista toimintaa koskevilla asioilla?

- a) kertomalla numeerisia taloustietoja
- b) kertomalla yleisistä käytännöistä ympäristönsuojelua koskien
- c) kertomalla täsmällisistä ja yksittäisistä käytännöistä ympäristönsuojelua koskien
- d) muu

Set three of questions to answer Q2. How do customers use the Internet to filter, make sense and share the information they get about any given company?

1.-Kuinka usein käytät Internetiä?

- a) kerran päivässä

- b) useammin kuin kerran päivässä
- c) joka toinen päivä
- d) kaksi kertaa viikossa
- e) kerran viikossa

2.-Mihin käytät Internetiä eniten?

- a) viihteeseen
- b) sosiaaliseen verkottumiseen, yhteydenpitoon ystävien kanssa
- c) tiedon etsimiseen ympäristöasioista
- d) tiedon etsimiseen tietystä tuotteesta tai brandistä, josta olen kiinnostunut
- e) yleiseen surffaamiseen, ei tarkkaa tarkoitusta

3.-Jos etsit tietoa, jostakin tietystä tuotteesta, onko Internet ensimmäinen paikka, mistä sitä etsit?

- a) kyllä
- b) ei

4.-Kun olet ostamassa tuotetta, minkälaista tietoa etsit siitä?

- a) teknistä tietoa
- b) hintatietoa
- c) ympäristötietoa
- d) tietoa siitä, mitä muut ihmiset ajattelevat tuotteesta
- e) muuta

5.-Etsitkö Internetistä tietoa yritysten yhteiskuntavastuusta?

- a) kyllä
- b) ei

Set four of questions to answer Q3. Do CSR and sustainability reports have a direct effect in the decision of a consumer to buy or not to buy a product?

1.-Kun teet ostopäätöstä tuotteesta, kuinka tärkeää sinulle on se, että yritys on sitoutunut yhteiskunnallisiin ja ympäristöasioihin?

- a) tärkeintä
- b) todella tärkeää
- c) tärkeää

d) kiva tietää, muttei merkittävää

e) ei lainkaan tärkeää

2.-Oletko koskaan käyttänyt yhteiskuntavastuuraporttia merkittävimpana perusteena ostopäätöksen tekemiselle?

a) kyllä

b) ei

3.-Voisitko ostopäätöstä tehdessäsi vaihtaa tutusta brandistä toiseen vastaavanlaiseen tuotteeseen, mikäli toinen tuote on tuotettu ympäristöystävällisesti?

a) kyllä

b) ei

4.-Onko yhteiskuntaraporttiin sisältyvä tieto koskaan vaikuttanut ostopäätökseesi?

a) kyllä

b) ei

5.-Jos Sinulla on kaksi samanlaista, samaan tarkoitukseen tehtyä tuotetta eri brandeiltä, kumman tuotteen valitset?

a) tuotteen, joka on mielestäsi valmistettu yhteiskunnallisesti ja ympäristön kannalta vastuullisella tavalla?

b) tuotteen, josta tiedät vain brandin, tuotenimen ja tekniset tiedot

Avoim Kysymys

6.- Mitä haluaisit yritysten tekevän ympäristönsuojelun puolesta? Miten yritysten tulisi toimistaan ympäristön suojelemiseksi?

10.3 View of Digital Survey

HSE control group survey on Corporate Social Responsibility

1. CSR General Overview

25%

The objective of the following survey is to collect information about the knowledge that people in general have concerning the environmental and social activities that different companies are involved in, and if these practices have any effect in the way people see these companies and buy their products and services.

The survey only takes about 10 minutes, there are no right or wrong answers, it does not matter if you do not know the answer to a question, just write I do not know; that answer will be as valuable as any other answer. Finally, to answer the survey think of your daily life when you are not at work.

1. Age

- Age 15 to 21 years of age
- 22 to 30 years of age
- 31 to 45 years of age
- 46 or more years of age

2. Sex

- Sex Male
- Female

3. Nationality

Nationality

4. Do you consider yourself as a person that cares about the environment?

HSE survey on Corporate Social Responsibility - Finnish-

1. CSR General Overview

Tämän tutkimuksen tarkoituksena on kerätä tietoa siitä, mitä ihmiset tietävät yritysten yhteiskuntavastuullisuudesta ja onko yritysten käytännöllillä merkitystä ihmisten ostopäätöksiin ja siihen, mitä he yrityksistä ajattelevat.

Kyselyyn vastaaminen vie noin 10 minuuttia. Oikeita tai väriä vastauksia ei ole. Jos et tiedä johonkin kysymykseen vastausta, kirjoita tämä avoimeen kohtaan. Tämä vastaus on aivan yhtä arvokas kuin mikä tahansa muu vastaus. Vastatessasi kyselyyn, mieti päivittäistä käyttäytymistäsi työn ulkopuolella.

1. Ikä

- Ikä 15 - 21 vuotta
- 22 - 30 vuotta
- 31 - 45 vuotta
- 46 vuotta tai enemmän

2. Suku

- Suku Mies
- Nainen

3. Kansalaisuus

Kansalaisuus

4. Ovatko ympäristöasiat Sinulle tärkeitä?

- Ovatko ympäristöasiat Sinulle tärkeitä? a) Kyllä